

A G E N D A

UTAH BOARD OF WATER RESOURCES Utah Department of Natural Resources 1594 W. North Temple Salt Lake City, Utah

January 30, 2004

1:00 p.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - December 12, 2003

III. CHAIR'S REPORT

IV. WATER SUPPLY REPORT

Randy Julander

V. FEASIBILITY REPORTS

County

E077 New Escalante Irr. Co.

Garfield

E122 Holliday Water Co.

Salt Lake

VI. COMMITTAL OF FUNDS

E069 New Santa Clara Field Canal Co.

Washington

E104 Tropic & East Fork Irr. Co.

Garfield

E115 The Dammeron Corp.

Washington

VII. SPECIAL ITEMS

D730 Mosby Irr. Co. (Reauthorization)

Uintah

D955 North Canyon Irr. Co. (Withdrawal)

Juab

E120 Laketown Irr. Co. (Withdrawal)

Rich

E124 Consolidated Sevier Bridge Res. Co.

Juab

(App. Sum., Feas. Rep., & Comm. of Funds)

K203 Enterprise Res. & Canal Co. (Amendment)

Washington

N236 Enterprise Res. & Canal Co. (Amendment)

Washington

VIII. DIRECTOR'S REPORT

IX. OTHER ITEMS

X. NEXT BOARD MEETING- March 11, 2004 - St. George (WUW)

XI. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Division of Water Resources
Room 314
1594 W. North Temple
Salt Lake City, Utah

January 30, 2004

9:00 a.m.

- | | | |
|------|------------------------|----------------|
| I. | WELCOME/CHAIR'S REPORT | Chairman Riley |
| II. | LEGISLATIVE REPORT | Board/Staff |
| III. | DISCUSSION OF PROJECTS | Board/Staff |
| IV. | OTHER ITEMS | |

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status

January 30, 2004

Funds Available for Projects This FY \$ 6,709,000

Projects Contracted This FY

1 Marion Waterworks Co	E053		\$	320,000	
2 Lake Shore Irr Co	E106			141,000	
3 Pioneer Land & Irr Co	E107			90,000	
4 Bear River Canal Co	E097			656,000	
5 Porcupine Highline Canal Co	E062			112,000	
6 Consolidated Sevier Bridge Res Co	C023	Grant	**	3,625,000	
7 New Escalante Irr Co (Wide Hollow Dam)	C030	Grant	**	275,000	
Contracts for Dam Safety Studies			**	<u>10,000</u>	
Total Funds Contracted					\$ 5,229,000
Funds Balance					\$ 1,480,000

Projects with Funds Committed

* 1 The Dammeron Corp	E115		\$	310,000	
2 Kays Creek Irr Co (Adams Dam) Amd	C001	Grant	**	4,000	
Commitments for Dam Safety Studies			**	<u>136,000</u>	
Total Funds Committed					\$ 450,000
Funds Balance					\$ 1,030,000

Projects Authorized

1 Deseret Irr Co	E056		\$	432,000	
2 West Panguitch Irr & Res Co	E105			137,000	
3 Kanab Irr Co	D968			377,000	
4 South Willard Water Co	E119			300,000	
* 5 Mosby Irr Co	D730			2,800,000	
* 6 Consolidated Sevier Bridge Res Co	E124			<u>208,000</u>	
Total Funds Authorized					\$ 4,254,000
Remaining Funds Available					\$ (3,224,000)

* To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

January 30, 2004

Funds Available for Projects This FY	\$ 2,158,000
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Bonds Closed This FY

1	\$ -	
Total Bonds Closed		\$ -
Funds Balance		\$ 2,158,000

Projects with Funds Committed

1 Johnson Water District	E070	\$ 396,000	
2 Trenton Town	L534	1,304,000	
Total Funds Committed		\$ 1,700,000	
Funds Balance		\$ 458,000	

Projects Authorized

1	\$ -	
Total Funds Authorized		\$ -
Remaining Funds Available		\$ 458,000

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

Conservation & Development Fund

Funding Status

January 30, 2004

Funds Available for Projects This FY \$ 16,697,000

Projects Contracted/Bonds Closed This FY

1 Wolf Creek Water Conservancy Inc.	E089	\$ 611,000
2 Davis & Weber Counties Cnl Co (Ph 4)	E112	545,000
3 Centerville City	L544	1,142,000
4 Taylor-West Weber WID	E095	825,000
5 City of South Jordan (Bond Ins)	E114	130,000
6 Hooper Irr Co (Press Irr, Ph 1 Amend)	E060	1,402,000
7 Davis & Weber Counties Cnl Co	E123	<u>2,735,000</u>

Total Funds Contracted/Closed	\$ 7,390,000
Funds Balance	<u>\$ 9,307,000</u>

Projects with Funds Committed

1 Town of Brian Head	L541	\$ 1,700,000
2 Lake Creek Irr Co (Ph 1)	E102	22,500
3 City of Cedar Hills	E099	31,200
4 Magna Water Co an Improve Dist (Amend)	E068	360,000
5 Mountain Regional Water SSD (Bond Ins)	E117	350,000
* 6 New Santa Clara Field Canal Co	E069	1,445,000
* 7 Tropic & East Fork Irr Co (Ph 1)	E104	<u>600,000</u>

Total Funds Committed	\$ 4,509,000
Funds Balance	<u>\$ 4,798,000</u>

Projects Authorized

1 Washington County WCD (Ivins)	D925	\$ 1,390,000
2 Strawberry High Line Canal Co	D976	3,187,000
3 Center Creek Culinary Water Co	E020	450,000
4 Uintah WCD (Island Ditch)	E036	720,000
5 Ephraim Irr Co	E061	1,155,000
6 Richland Nonprofit Water Co	E087	335,000
7 Lake Creek Irr Co (Ph 2)	E102	300,000
8 Tropic & East Fork Irr Co (Ph 2)	E104	220,000
9 West Point City	L546	410,000
10 Centerfield Town	L547	255,000
11 Town of Springdale	E118	850,000
* 12 New Escalante Irr Co	E077	300,000
* 13 Holliday Water Co	E122	<u>1,500,000</u>

Total Funds Authorized	\$ 11,072,000
Remaining Funds Available	<u>\$ (6,274,000)</u>

BOARD OF WATER RESOURCES

January 30, 2004

ADDITIONAL ACTIVE PROJECTS			Fund	Est. Board Cost	Total Cost
Authorized or Committed Projects					
1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D		\$ 10,379,000	\$ 12,211,000
2 Central Utah WCD (Prepay FY98,99,00)	D960	C&D		3,000,000	3,000,000
3 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D		27,721,000	32,613,000
4 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D		15,497,000	18,232,000
5 Hooper Irr Co (Press Irr, Ph 2-4)	E060	C&D		12,495,000	14,700,000
Subtotal				\$ 69,092,000	\$ 80,756,000
Projects Under Investigation					
1 Keith Johnson	D996	RCF		\$ 37,500	\$ 50,000
2 Mayfield Irr Co	E067	RCF		187,500	250,000
3 Rock Dam Irr Co	E083	RCF		37,500	50,000
4 Parowan City	E121	CWL		158,250	211,000
5 Woodruff Irrigating Co	D680	C&D		600,000	800,000
6 Kane County WCD	D828	C&D		1,500,000	2,000,000
7 Uintah WCD (Leota Bench)	D944	C&D		750,000	1,000,000
8 Gunnison Butte Mutual Irr Co	E004	C&D		10,500,000	14,000,000
9 City of South Jordan (Secondary Irr)	E034	C&D		2,253,000	3,004,000
10 Hyrum Blacksmith Fork Irr Co	E047	C&D		1,230,000	1,640,000
11 East Juab County WCD	E071	C&D		375,000	500,000
12 Ferron Canal & Res Co	E082	C&D		2,625,000	3,500,000
13 Whiterocks Irr Co	E084	C&D		1,500,000	2,000,000
14 Logan, Hyde Park, Smithfield Canal Co	E096	C&D		1,301,250	1,735,000
15 Newton Water Users Association	E100	C&D		1,001,250	1,335,000
16 Town of Goshen	E109	C&D		158,000	320,000
17 Weber-Box Elder Conservation Dist	E113	C&D		9,750,000	13,000,000
* 18 Cottonwood Creek Consolidated Irr Co	E125	C&D		3,750,000	5,000,000
* 19 Pleasant Grove City	E126	C&D		12,750,000	17,000,000
* 20 Hi-Country Estates Homeowners Assn	E127	C&D		371,250	495,000
Subtotal				\$ 50,835,500	\$ 67,890,000
TOTAL				\$ 119,927,500	\$ 148,646,000

* New Applications

INACTIVE PROJECTS

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Upper Sevier River WCD	E098

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-077**
Received: 4/18/02
Approved: 6/14/02

To be Presented at the January 30, 2004 Board Meeting

SPONSOR: ***NEW ESCALANTE IRRIGATION COMPANY***

President: Bartt Carter

LOCATION: The proposed project is located about two miles northwest of Escalante City in Garfield County.

EXISTING CONDITIONS & PROBLEMS: The sponsor provides pressurized irrigation water to approximately 2,700 acres; due to water shortages, however, about 2,500 acres currently receive water. The irrigation system serves the sponsor's agricultural lands and provides lawn and garden watering to shareholders in Escalante. Water is diverted from the Escalante River for direct use in the system, or stored in Wide Hollow Reservoir for future use.

When the pressurized irrigation system was installed in the early 1980s, a new dam and reservoir north of Wide Hollow was proposed as Phase II of the project. Although the new reservoir would have provided gravity pressure for the system, company shareholders decided to construct a booster pumping station to provide pressure instead due to cost factors.

Wide Hollow Dam was completed in 1954 and originally impounded nearly 2,400 acre-feet; siltation has since reduced storable water volume to about half that. The reservoir fills and spills every year and shareholders experience water shortages most years.

The Wide Hollow spillway will not pass the State Engineer's required design flood, and sand layers in

the dam's foundation are susceptible to liquefaction (saturated soil strength reduction) during an earthquake. Major upgrades are required for the sponsor to continue using the dam.

In 1996 Water Resources staff, at the request of the sponsor, looked at several alternate dam and reservoir sites. Site #4, about 1½ miles northwest of the existing Wide Hollow Dam and Reservoir, was chosen for additional study; preliminary feasibility investigations have shown this to be an acceptable site.

Site #4 and most of the required facilities are on Bureau of Land Management (BLM) property. An Environmental Assessment was prepared, public comments received, and after several revisions BLM presented a "Finding of No Significant Impact" and subsequently approved an easement. Both the Environmental Assessment and easement were appealed by several concerned parties. The appeals have been combined and will be addressed by the Federal Government's Interior Board of Land Appeals (IBLA). Although it is not known how long it will take IBLA to act, it may possibly be this year. Some involved with initiating the appeals also sought a "stay" which, if granted, would have prohibited the sponsor from proceeding with the project. After considering the matter, IBLA denied the stay request.

The sponsor has the option to proceed. If the appeals are successful, however, construction must stop and the easement will be revoked until BLM revisits the environmental impacts of the project. The sponsor is proceeding with the project, additional subsurface investigation has just been completed, and the sponsor is ready to proceed with detailed design work.

PROPOSED
PROJECT:

The sponsor is requesting financial assistance from the board to construct a new dam to replace the existing Wide Hollow Dam. The proposed project includes diversion/desilting structures on North and Birch Creeks, about six miles of PVC transmission pipelines from the diversions to the new reservoir and from the reservoir to the existing irrigation system, and a 120 foot-high, 900 foot-long earthfill dam with the capacity to impound 4,500 acre-feet.

Technical assistance is being provided by Franson Noble Engineering of American Fork.

The sponsor would like to make modifications to Wide Hollow Dam to allow it to be operated at a much lower capacity if allowed by the State Engineer. If the existing dam is abandoned, it will need to be breeched.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit to area).

COST ESTIMATE: The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$300,000	\$ 300,000
2.	Foundation Work	LS	630,000	630,000
3.	Embankment	550,000 CY	5.00	2,750,000
4.	Drains & Filters	LS	1,110,000	1,110,000
5.	Riprap	LS	293,000	293,000
6.	Outlet Works	LS	200,000	200,000
7.	Spillway	LS	50,000	50,000
8.	Instrumentation	LS	30,000	30,000
9.	Diversions/Desilters	LS	500,000	500,000
10.	Pipeline	LS	1,065,000	1,065,000
11.	Modification of Existing Dam	LS	250,000	<u>250,000</u>
Construction Cost				\$7,178,000
Contingencies				1,022,000
Legal and Administrative				100,000
Design and Construction Engineering				<u>950,000</u>
TOTAL				\$9,250,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 300,000	3%
BWRe Dam Safety Grant	3,780,000	41
Federal Grant	5,000,000	54
Sponsor	<u>170,000</u>	<u>2</u>
TOTAL	\$9,250,000	100%

If the board authorizes the project, it is suggested it be purchased at 1% interest over no more than 50 years with final repayment terms to be determined at committal of funds. Proposed annual payments will likely be small (possibly interest only) until the pressurized irrigation system agreement with the board is completed in 2021.

Although the Wide Hollow Water Conservancy District is working with Senator Robert Bennett's office in obtaining a federal grant for the project, it is unknown when or what amount of funding will be obtained. If grant funding falls short of that shown above, the sponsor will probably request the board's cost sharing amount be increased to cover the shortfall. Staff recommends no board funds be committed for construction until at least \$2 million of the \$5 million federal grant is secured.

It has been proposed that the dam safety grant from the board needed to upgrade Wide Hollow Dam be used toward construction of the new dam. The BWRe Dam Safety Grant above assumes the board would approve 90% of the \$4.2 million upgrade estimate, or \$3.78 million.

The sponsor is considering a conservation pool in the new reservoir for a cold-water fishery, with the amount of compensation offered by the Division of Wildlife Resources to possibly be the deciding factor. If a conservation pool becomes part of the project, the amount of board financial assistance will be reduced.

ECONOMIC
FEASIBILITY:

The proposed project is economically feasible if its combined benefits exceed its cost. Benefits include increased crop yields and reduced operation and maintenance costs. Construction of the proposed project will also eliminate the need for the sponsor

to spend money to upgrade Wide Hollow Dam; it was therefore considered an avoided cost and a benefit to the proposed project. When all benefits and costs are included in the analysis, the benefit/cost ratio is .79.

Increased crop yields are based on an estimated average annual increase in water supply of 600 acre-feet, which was calculated using a computer model with estimated streamflows. The sponsor feels staff's water supply and project benefit numbers are low.

FINANCIAL
FEASIBILITY:

Financial benefits from installing the proposed project include approximately \$100,000 annually in reduced O&M costs and revenue from an estimated increase in alfalfa yield of one ton per acre.

Repayment ability of an agricultural project sponsor is normally calculated by multiplying the annual net financial benefit by the board's cost sharing percentage. Because of the several aforementioned factors that will likely change board cost sharing, no annual payment amount has been calculated but will be at the time the project returns for committal of funds. The sponsor's existing board repayment schedule will also be taken into account.

BENEFITS:

Construction of a new dam and reservoir will nearly quadruple the sponsor's current storage capacity and increase the amount of water put into the irrigation system by an estimated average of 600 acre-feet annually. Operation and maintenance costs will be reduced, and safety issues at the existing Wide Hollow Dam will be resolved.

PROJECT
SPONSOR:

The New Escalante Irrigation Company was incorporated in 1915 and is currently registered in good standing with the state Department of Commerce. Its 1,660.5 shares are held by nearly 300 shareholders.

The board provided \$2 million (100%) to the sponsor in 1981 for construction of the pressurized irrigation system. The board/sponsor agreement has been amended seven times since then, most recently forgiving the \$23,448 interest portion of the \$85,000

payment due March 1, 2004. The current agreement calls for payments through 2020 to increase \$2,000 annually over the previous year's payment, with final payment to the board to be made in the year 2021 in the approximate amount of \$89,000.

**WATER RIGHTS
& SUPPLY:**

The sponsor has the right (WR 97-66, 88, and 1200) to divert 40 cfs from the Escalante River, up to 9,471.92 acre-feet annually, for the irrigation of 2,712.28 acres, storage rights of 7,324.53 acre-feet included. These rights are in the name of the board for the pressurized irrigation project.

A change application (a23054) was filed in 1999 that would add diversion points on North and Birch Creeks, as well as a re-diversion point at the outlet of the proposed dam. No protests were filed, but the State Engineer is withholding his ruling pending decisions on the Environmental Assessment and BLM easements involved in the project.

Since the new reservoir will have a larger surface area than Wide Hollow Reservoir and more surface evaporation will occur, the sponsor will need to either obtain additional water rights or retire irrigated acreage to account for the added depletion.

EASEMENTS:

The dam, reservoir, and diversion sites, and some pipeline alignments, are on BLM ground; remaining pipelines will traverse private property. BLM has issued an easement, which has been appealed and is awaiting review by IBLA.

ENVIRONMENTAL:

The proposed dam and reservoir will cover approximately 170 acres. Diversion structures will be constructed on North Creek 1½ miles upstream from the mouth of the canyon, and on Birch Creek two miles upstream from its confluence with North Creek, with pipeline installed within the riparian areas of each for short distances downstream.

North Creek has a well-developed riparian area while Birch Creek's has been classified as "functioning at risk" because it experiences floods that scour the area. It appears the diversion of creek flows and the effects on the riparian areas have drawn concern

from those who appealed the Environmental Assessment and easements.

The Environmental Assessment contains mitigation requirements that include monitoring of the riparian areas and the bypass of flow to maintain them.

WATER
CONSERVATION:

Adding the additional storage capacity will provide an estimated average of 600 acre-feet of additional water annually to water users.

SPONSOR'S
RESPONSIBILITIES:

If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain stream alteration permits from the State Engineer for the North Creek and Birch Creek diversions and pipelines.
2. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
3. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
4. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

c. The company has obtained all permits required for the project.

5. Have an attorney give the Board of Water Resources a written legal opinion that the company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, and land necessary for the project.

6. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Water Rights.

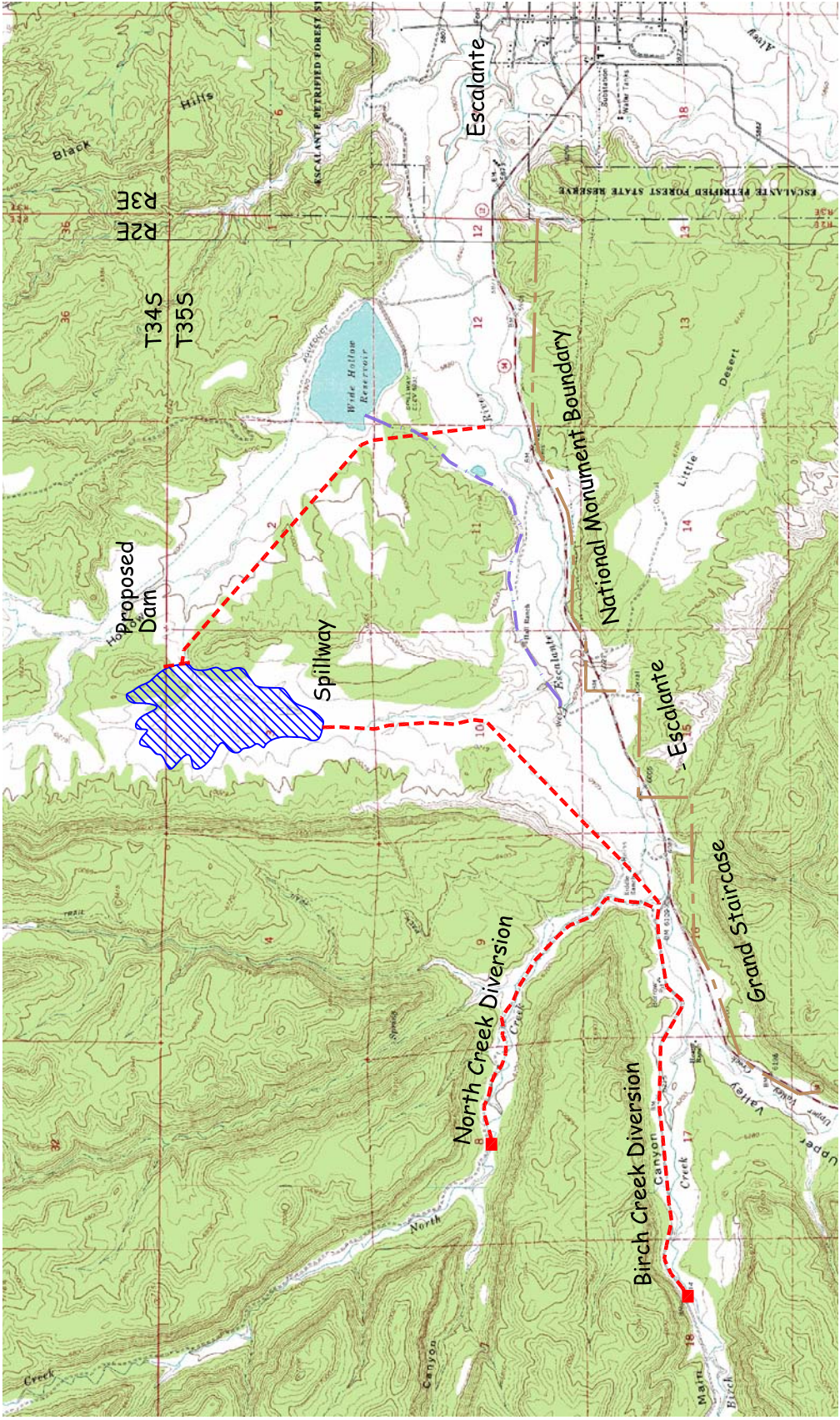
7. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

PROJECT
CONTACT
PEOPLE:

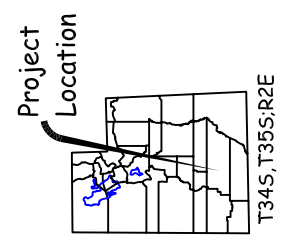
President: Bartt Carter
P.O. Box 535
Escalante, UT 84726
Phone: (435) 826-4202

Wide Hollow WCD: Louise Liston
P.O. Box 307
Escalante, UT 84726
Phone: (435) 826-4363

Engineer: Franson Noble Engineering
776 East Utah Valley Drive
American Fork, UT 84003
Phone: (801) 756-0309



- Proposed Pipeline
- Existing Canal
- Monument Boundary



NEW ESCALANTE IRRIGATION COMPANY
Proposed Reservoir and Pipeline
Garfield Co.

BOARD OF WATER RESOURCES

Feasibility Report

Conservation & Development Fund

Appl. No.: **E-122**

Received: 11/21/03

Approved: 12/12/03

To be Presented at the January 30, 2004 Board Meeting

SPONSOR: **HOLLIDAY WATER COMPANY**

President: George Grover

LOCATION: The proposed project is located in Holladay City on the east side of the Salt Lake Valley in Salt Lake County.

EXISTING CONDITIONS & PROBLEMS: The sponsor serves culinary water for indoor and outdoor use to 3,891 connections serving approximately 15,000 people. Water comes from Spring Creek Spring, wells, and a connection to a pipeline of Salt Lake City's. Water from the spring is treated by a 2.5 MGD microfiltration plant. The sponsor has a 1 million gallon steel storage tank and a 4 million gallon concrete tank, plus stores 1.2 million gallons in various tanks owned by Salt Lake City. The culinary system is rated "Approved" by the Division of Drinking Water.

More storage is needed for indoor, outdoor, fire protection, and emergency needs. In addition, the system would benefit from additional looping of pipeline to and from storage tanks and wells.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to construct a three million gallon concrete storage tank under an Olympus High School athletic practice field, install a drainage pipe from the tank to a canal, add about 2 1/2 miles of looping pipeline to the system, and install a booster pumping

station. In exchange for an easement at Olympus, the sponsor will add piping to provide water to the school. Technical assistance is being provided by Sunrise Engineering in Draper.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE: The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	3 MG Tank	LS	\$1,100,000	\$1,100,000
2.	24-inch Drainage Pipe	1,400 LF	80.00	112,000
3.	Ductile Iron Pipe			
	a. 16-inch	13,000 LF	84.00	1,092,000
	b. 8-inch	1,000 LF	68.00	68,000
4.	Booster Pumping Station	LS	350,000	350,000
5.	Piping & Meter to Olympus High School	LS	100,000	<u>100,000</u>
Construction Cost				\$2,822,000
Contingencies				282,000
Legal and Administrative				65,000
Design and Construction Engineering				<u>401,000</u>
TOTAL				\$3,570,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$1,500,000	42%
Sponsor	<u>2,070,000</u>	<u>58</u>
TOTAL	\$3,570,000	100%

If the board authorizes the project, it is suggested it be purchased in 10 years at 5% interest with annual payments ranging from approximately \$177,000 to \$254,000.

ECONOMIC
FEASIBILITY:

A municipal project is economically feasible if its cost is less than the cost of the next best alternative. The alternative to building water storage capacity in Holliday Water Company's system is to contract with a supplier (Salt Lake City Public Utilities) to provide storage in its delivery system. This alternative is not under the control of Holliday Water Company, however, and may not fully meet its storage needs. Since no new water supplies are being developed and no acceptable storage options are available, the benefit/cost ratio is assumed to be 1.0.

FINANCIAL
FEASIBILITY:

Based on the board's water service affordability guidelines, Holliday Water Company users could pay up to \$40.94 monthly for water. The cost of water with the proposed project, based on 3,961 projected residential connections when the first annual payment is due, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance	\$798,000	\$16.79
Proposed Loan (BWRe)	<u>177,000</u>	<u>3.72</u>
TOTAL	\$975,000	\$20.51

Current monthly water rates start at \$10/month for a 3/4" connection, and increase to \$190/month for a 6" connection; this includes 60,000 gallons/year/share of stock. Additional water used costs \$0.85/1,000 gallons up to 80,000 gallons, and \$1.10/1,000 over that. The average monthly water bill is about \$32.00.

Although the cost/connection/month is well below the guideline established by the board, the sponsor will likely be making additional improvements to the water system before the proposed board assistance is returned.

BENEFITS:

The project will allow the sponsor to meet indoor, outdoor, and fire protection storage requirements, provide emergency storage, and improve distribution of water.

PROJECT
SPONSOR:

Holliday Water Company supplies culinary water to about 2/3 of Holladay City. It has provided water service for the past 100 years, was legally

incorporated in 1928, and is currently registered in good standing with the state Department of Commerce. The sponsor's total service connections have increased at an average annual rate of 0.55% the past ten years, with most land parcels in the service area having been developed; that growth rate is expected to continue.

There are 7,200 shares of stock in the company, which are not subject to an annual assessment. New meter connections are allowed to buy one share of stock from the company for \$5,000; if they desire additional shares, they must purchase them from other owners.

The sponsor has not received assistance from the board in the past.

WATER RIGHTS & SUPPLY:

Holliday Water Company owns water rights in four wells and Spring Creek Spring. It also has an agreement with Salt Lake City for water rights in Big Cottonwood Creek:

<u>Description</u>	<u>Right No.</u>	<u>Max. Diversion (ac-ft/yr.)</u>
Big Cottonwood Creek (SLC)	57-7673	1,098
Spring Creek Spring	57-8896	706
Underground Water Well	57-7934	724
Underground Water Wells	57-3127	4,847.05
	57-3128	
	57-3365	
	57-6258	
	57-6259	
Wells	57-8978	17.42
	57-8977	32.58

The sponsor currently uses about half its allocated water right.

EASEMENTS:

The sponsor has secured an easement for the proposed tank site and will acquire additional easements for other portions of the project.

ENVIRONMENTAL: No long-term detrimental environmental effects are expected.

WATER
CONSERVATION: The sponsor has a water management and conservation plan. The plan encourages xeriscaping and upgrading plumbing to utilize low-flow devices. Educational pamphlets are sent to users informing them of ways to conserve and protect their water resources.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

- a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.

- b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.

3. Have an attorney give the Board of Water Resources a written legal opinion that:

- a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.

- b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

- c. The company has obtained all permits required for the project.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

b. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources.

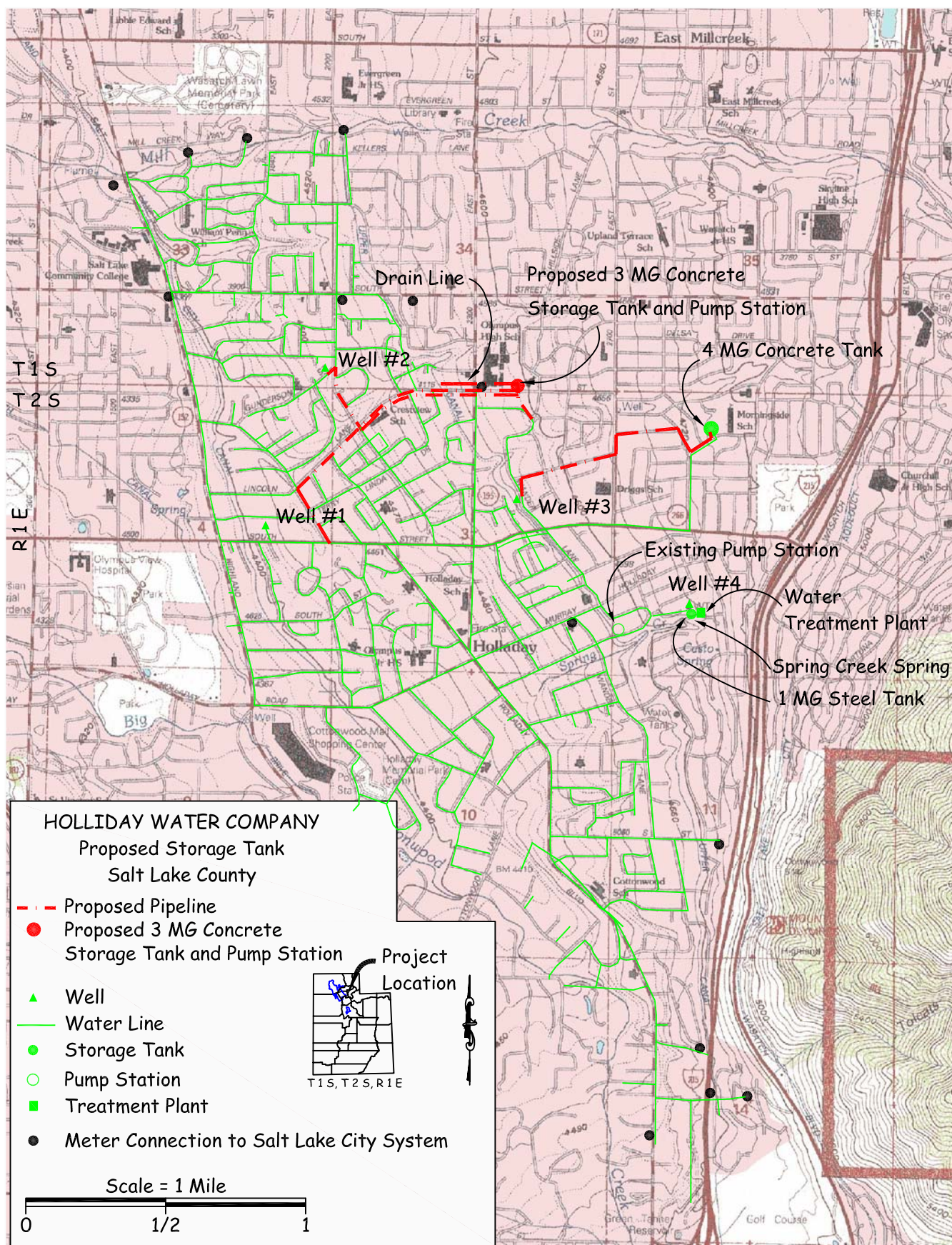
In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

5. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Drinking Water.

6. Adopt a rule prohibiting its residential users from irrigating landscapes between the hours of 10:00 a.m. and 6:00 p.m.

PROJECT
CONTACT
PEOPLE:

President:	George Grover 1887 East 4500 South Salt Lake City, UT 84117 Phone: (801) 277-2893
Manager:	Marlin Sundberg 1887 East 4500 South Salt Lake City, UT 84117 Phone: (801) 277-2893
Engineer:	Bob Davis Sunrise Engineering 12227 S. Business Park Pl. Draper, UT 84020 Phone: (801) 523-0100



BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-069**
Received: 1/14/02
Approved: 1/25/02
Authorized: 4/19/02

To be Presented at the January 30, 2004 Board Meeting

SPONSOR: **NEW SANTA CLARA FIELD CANAL COMPANY**

President: James N. Ence
800 Old Farm Road
Santa Clara, UT 84765
Phone: (435) 673-3929

LOCATION: The proposed project is located in and around the City of Santa Clara, about five miles northwest of St. George in Washington County.

PROJECT SUMMARY: The board authorized a project to install a limited secondary irrigation system in and around Santa Clara to serve agricultural land and residences of company shareholders. The project also included a transmission pipeline from Ivins Reservoir to Santa Clara.

Washington County Water Conservancy District (WCWCD) is taking responsibility for installing the transmission pipeline and will be before the board (probably in March) for funding under a separate application; it intends to proceed with construction before then, however. Bids have been opened for both the transmission pipeline and secondary irrigation system projects.

COST ESTIMATE & SHARING: Changes during project design increased pipe footage by over a mile; the proposed project cost estimate is based on the lowest bid received. The cost estimate

and sharing for the authorized (secondary system and transmission pipeline) and proposed (secondary system only) projects are as follows:

<u>Agency</u>	<u>Authorized Cost Sharing</u>	<u>% of Total</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$930,000	38%	\$1,445,000	85%
WCWCD	1,317,000	54	0	0
Sponsor	<u>193,000</u>	<u>8</u>	<u>255,000</u>	<u>15</u>
TOTAL	\$2,440,000	100%	\$1,700,000	100%

PURCHASE
AGREEMENT:

The authorized purchase agreement requires the \$930,000 to be returned in 25 years at 3.5% interest with annual payments of approximately \$56,500. If the board commits funds to the project, it is proposed the \$1,445,000 be returned in approximately 25 years at 3.5% interest with annual payments of \$87,700.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-104**
Received: 11/8/02
Approved: 12/20/02
Authorized: 6/12/03

To be Presented at the January 30, 2004 Board Meeting

SPONSOR: **TROPIC & EAST FORK IRRIGATION COMPANY**

President: Franz Shakespear
PO Box 5
Tropic, UT 84776
Phone: (435) 679-8749

LOCATION: The proposed project is located near Bryce Canyon National Park, about six miles northwest of the Town of Tropic in Garfield County.

PROJECT SUMMARY: The board authorized a two-phase project to replace the seven mile-long Tropic & East Fork Canal with 30-inch PVC pipeline. The sponsor is ready to proceed with Phase I, which includes just over two miles of pipeline beginning just below the canal diversion on the East Fork of the Sevier River.

COST ESTIMATE & SHARING: The cost estimate and sharing of the entire project and Phase I are shown:

<u>Agency</u>	<u>Authorized Cost Sharing</u>	<u>% of Total</u>	<u>Phase I Cost Sharing</u>	<u>% of Total</u>
BWRe	\$820,000	49%	\$600,000	92%
USRWCD	790,000	46	0	0
Sponsor	<u>80,000</u>	<u>5</u>	<u>50,000</u>	<u>8</u>
TOTAL	\$1,690,000	100%	\$650,000	100%

Grant funding from Uppper Sevier River Water Conservancy District (USRWCD) is earmarked for Phase II only.

PURCHASE
AGREEMENT:

The authorized purchase agreement for the entire project requires the \$820,000 to be returned at 1.5% interest over approximately 25 years with annual payments of \$40,000. If the board commits funds to Phase I, it is proposed the \$600,000 be returned at 1.5% interest over approximately 25 years with annual payments of \$29,000.

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-115**
Received: 8/28/03
Approved: 9/19/03
Authorized: 12/12/03

To be Presented at the January 30, 2004 Board Meeting

SPONSOR: **DAMMERON VALLEY WATER WORKS**
(THE DAMMERON CORPORATION)

President: Brooks Pace
1 Dammeron Valley Drive East
Dammeron Valley, UT 84783
Phone: (435) 680-2295

LOCATION: The proposed project is located approximately 15 miles north of St. George in Washington County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to improve its culinary water system by drilling and equipping a well, and constructing a concrete storage tank.

After authorization the well site was moved to a location closer to existing system facilities, a move that will not only decrease the amount of connecting pipeline needed, but also reduce the well depth by about 300 feet. The sponsor would like to put the resulting cost savings into a 500,000 gallon tank instead of the 250,000 gallon tank authorized.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 310,000	80%
Sponsor	<u>78,000</u>	<u>20</u>
TOTAL	\$ 388,000	100%

PURCHASE
AGREEMENT:

If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the project will be purchased in approximately 10 years at 0% interest with annual payments ranging from \$19,000 to about \$51,000.

BOARD OF WATER RESOURCES

Special Item

Feasibility Report (Reauthorization)

Revolving Construction Fund

Appl. No.: **D-730**
Received: 2/20/90
Approved: 3/1/90
Authorized: 3/13/97

To be Presented at the January 30, 2004 Board Meeting

SPONSOR: **MOSBY IRRIGATION COMPANY**

President: Lance Luck

LOCATION: The proposed project is located about two miles northeast of Lapoint in Uintah County.

SUMMARY: In March, 1997, the board authorized the sponsor's proposed \$2.85 million Red Wash Dam and Reservoir project consisting of a diversion structure on Deep Creek, a feeder canal, an offstream earthfill dam and dike to impound 2,175 acre-feet of water for additional late season irrigation use, and an emergency spillway.

After authorization the sponsor's engineer completed the design, prepared plans and specifications, and helped get the project out to bid in March, 1998. The low bid exceeded funds available and the engineer's estimate, and all bids were rejected. The project was bid again in April, 1999, with the low bid coming in at a figure very near the first low bid. Adding engineering and other costs, both of which had risen, brought the total cost to \$4.29 million.

The project was presented to the board for committal of funds shortly after the second bid, with \$3.6 million of board funding proposed by staff to be returned at 1% interest over 75 years with nine years of fixed annual payments, then 11 years of increasing

payments, then 55 years of fixed payments. At the sponsor's request, the board deferred action since the sponsor said it could not afford to repay loans on a \$4.29 million project, and it wanted to attempt to get the project cost down to around \$2.0 million, largely by doing considerable construction work itself. The sponsor has since completed construction of the diversion structure on Deep Creek, the feeder canal, excavation of the spillway, and a large portion of the excavation needed to construct the dam and dike.

PROPOSED
PROJECT:

The sponsor is requesting financial assistance from the board to complete construction of Red Wash Dam (80 feet high, 1,100 feet long), dike (30 feet high, 300 feet long), and spillway using its own forces. The assistant attorney general for Natural Resources has concurred with the opinion of the sponsor's attorney that, since the bids were rejected twice, the sponsor has met the requirements of the Utah Code which requires that, before an organization like the sponsor can build a dam to impound more than 100 acre-feet itself, it must be competitively bid twice.

The sponsor hired Engineering Services in Vernal to update the plans and specifications (originally prepared by CH2M Hill in Salt Lake City) and obtain construction approval from the State Engineer.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit to area).

COST ESTIMATE:

The following cost estimate was prepared by the engineer based on the sponsor doing the work itself, and contains revisions by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$200,000	\$ 200,000
2.	Site Preparation	LS	10,000	10,000
3.	Dam & Dike Excav.	50,000 CY	1.10	55,000
4.	Foundation Prep.	LS	70,000	70,000
5.	Dental Concrete	LS	20,000	20,000
6.	Drilling & Grouting	LS	151,000	151,000
7.	Dam & Dike Embank.	690,000 CY	1.10	759,000
8.	Lime-Treated Embank.	18,000 CY	3.00	54,000
9.	Blanket Drain	13,000 CY	12.50	162,500
10.	Chimney Drain	16,000 CY	12.50	200,000

11. Slotted Underdrain Pipe			
a. 8-inch	1,500 LF	10.50	15,750
b. 6-inch	1,250 LF	9.50	11,875
12. Weir Box	5 EA	1,000	5,000
13. Foundation Drain	1,500 LF	10.00	15,000
14. Granular Slope Protection	22,000 CY	2.50	55,000
15. Riprap Bedding	27,000 CY	2.00	54,000
16. Piezometer	1,040 LF	30.00	31,200
17. Monument	14 EA	500	7,000
18. Outlet Works	LS	250,000	250,000
Construction Cost			\$2,126,325
Contingencies			423,675
Construction Engineering			390,000
Legal and Administrative			20,000
Completed Work			
- Construction by Sponsor			265,000
- Land & Easements Purchases			114,000
- Design Engineering			251,000
- Legal Fees			10,000
TOTAL			\$3,600,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$2,800,000	77.8%
Uintah WCD	150,000	4.2
Central Utah WCD (Grant)	130,000	3.6
Sponsor	520,000	14.4
TOTAL	\$3,600,000	100%

If the board reauthorizes the project, it is suggested it be purchased with annual payments of \$47,000 at 0% interest over approximately 60 years.

ECONOMIC
FEASIBILITY:

The proposed project is economically feasible if increased net income from farming with the improved water supply exceeds the cost of constructing and operating the project. The economic analysis shows that irrigators' annual net income will increase by about \$74,000. When all costs and benefits are discounted to present value over the useful life of the proposed dam and reservoir, the benefit/cost ratio is .54. This ratio is calculated based on the assumption that no land or water use changes will occur.

FINANCIAL
FEASIBILITY:

The benefits of the project will primarily be increased crop yields. Because the Mosby Irrigation Company serves lands ranging from over 7,000 feet in elevation to 5,500 feet, the service area was divided into upper, middle, and lower service areas and a feasibility analysis completed for each area. The company presently experiences large water shortages on its existing land, and the new reservoir will help alleviate those shortages. Annual benefits for each service area are estimated to be:

Upper Service Area (876 acres)	\$ 4,000
Middle Service Area (506 acres)	25,000
Lower Service Area (791 acres)	45,000
Less Estimated Project O&M Costs	<u>-14,000</u>
ANNUAL NET BENEFIT	\$ 60,000

Using the board's traditional funding approach, the irrigators' repayment ability is calculated to be approximately 77.8% of the annual net benefit, or \$47,000 per year.

BENEFITS:

Assuming existing land use patterns continue, the proposed project will develop an estimated 1,000 acre-feet annually, resulting in increased crop production.

PROJECT
SPONSOR:

Mosby Irrigation Company was incorporated in 1935 and is presently registered in good standing with the state Department of Commerce. The company has 3,134.5 shares of stock owned by 40 shareholders irrigating 2,173 acres along Deep Creek near Lapoint; the annual share assessment is \$12.50.

The company has received financial assistance from the board for three previous projects. In 1974-75 the board provided \$268,000 to help build Julius Park Dam and Reservoir, and in 1977 it provided \$16,000 to help install a diversion structure and half-mile of transmission pipeline in the Mosby Canal; both those projects have been purchased. From 1997- 2003 the board provided \$355,000 to help repair and replace the Mosby Canal with 48-inch pipeline, which is being purchased with annual payments of \$18,000 through 2019.

WATER RIGHTS
& SUPPLY:

The sponsor has two main water rights associated with the project. Right 45-515 is for the diversion of 10 to 30 cfs from Dry Fork Creek through the Mosby Canal to Deep Creek, and is in the name of the board as security for the Mosby Canal repair and replacement project. Right 43-3743, to store 2,175 acre-feet, is associated with the proposed project and will be transferred to the board as security for financial assistance.

EASEMENTS:

The sponsor has purchased the dam and reservoir site and has obtained an easement for the diversion structure and feeder canal.

ENVIRONMENTAL:

Approximately 90 acres of natural habitat will be removed from use by the dam and reservoir.

WATER
CONSERVATION:

The project will develop an estimated 1,000 acre-feet annually.

SPONSOR'S
RESPONSIBILITIES:

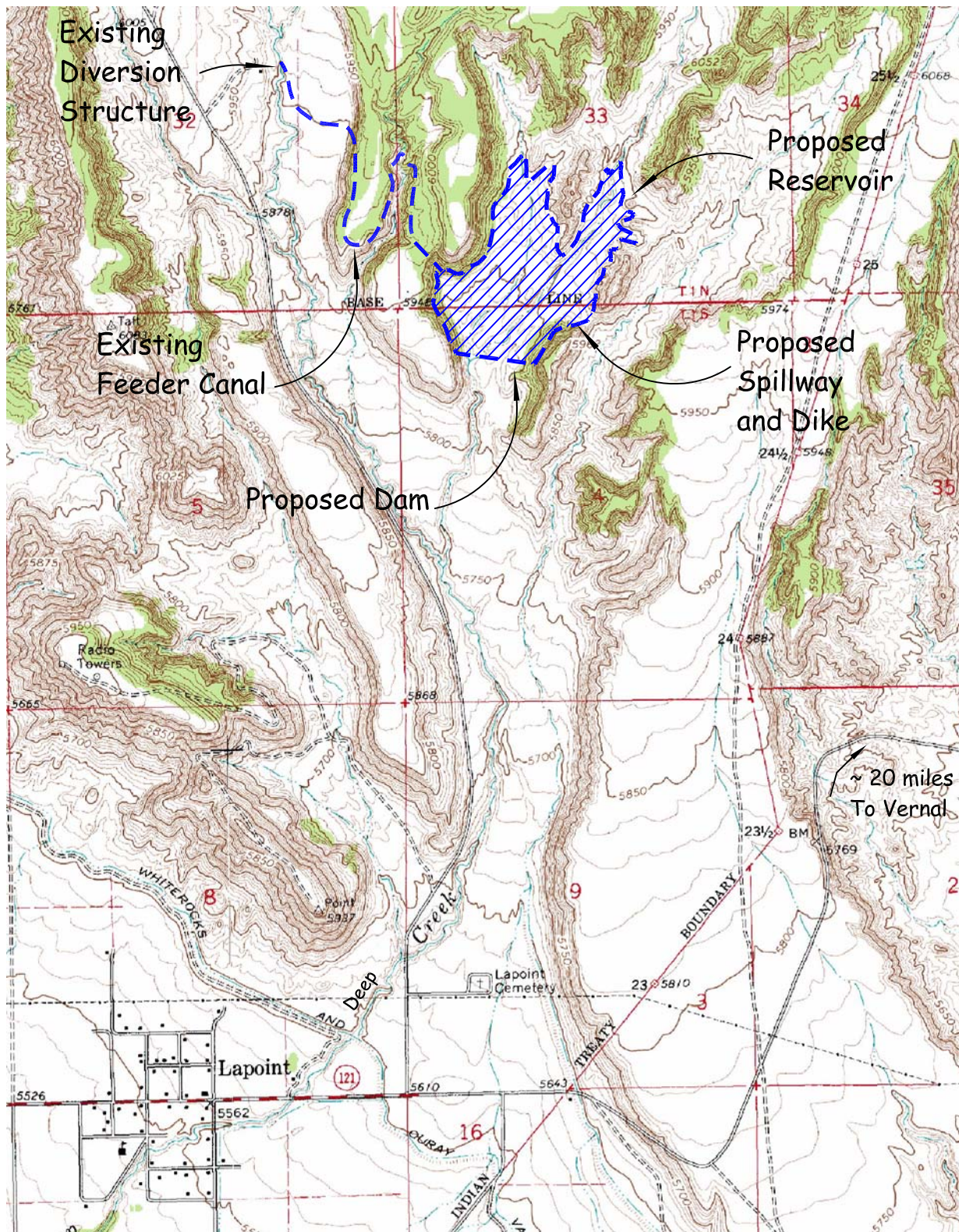
If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

- a. Assign properties, easements, and Water Right 43-3743 to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have an attorney give the Board of Water Resources a written legal opinion that the company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
4. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Water Rights (Dam Safety).
5. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.
6. Hire an independent, registered professional consulting engineer with at least ten years of pertinent dam-related experience to perform/oversee quality assurance inspection and testing (this will be in addition to Engineering Services' work and is being required by the State Engineer if construction is done by the sponsor's own forces).

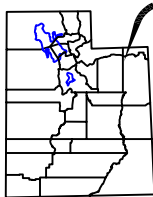
PROJECT	President:	Lance Luck
CONTACT		Route 1, Box 1215
PEOPLE:		Roosevelt, UT 84066
		Phone: (435) 353-4599
	Secretary:	Martin Huber
		Box 403
		Lapoint, UT 84039
		Phone: (435) 247-2451
	Engineer:	Engineering Services
		1344 West U.S. Hwy 40
		P.O. Box 1485
		Vernal, UT 84078
		Phone: (435) 781-2550



Project
Location

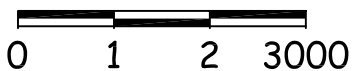
MOSBY IRRIGATION COMPANY
Red Wash Dam & Reservoir Project

Uintah Co.



T1N, T1S; R2E UB&M

Scale in Feet



BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **D-955**
Received: 4/21/97
Approved: 5/9/97
Authorized: 4/24/98

To be Presented at the January 30, 2004 Board Meeting

SPONSOR: ***NORTH CANYON IRRIGATION COMPANY***

President: Brady Lynn
Box 295
Mona, UT 84645
Phone: (435) 623-0575

LOCATION: The project is located north of Mona, about eleven miles north of Nephi in Juab County.

SUMMARY: The board authorized \$315,000 (75%) to the sponsor to help improve its irrigation system serving 1,300 acres. The project included about four miles of 15 to 24-inch pressurized PVC pipeline, some of which was to replace an existing concrete-lined ditch.

Subsequent to authorization, the sponsor received a grant from Farm Service Agency for 75% of the pipeline cost and no longer needs board assistance. Staff therefore recommends the application to the board be deauthorized and withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: ***E-120***

Received: 10/30/03

Approved: 12/12/03

To be Presented at the January 30, 2004 Board Meeting

SPONSOR: ***LAKETOWN IRRIGATION COMPANY***

President: Howard Lamborn
292 North Main
Laketown, UT 84038
Phone: (435) 946-3388

LOCATION: The project is located in and around Laketown, a small community on the southern edge of Bear Lake in Rich County.

SUMMARY: The sponsor requested assistance from the board to install control panels on two existing pumps in a pressurized irrigation system. It has since decided to fund the relatively small project (\$23,000) with a bank loan and requests its application to the board be withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Application Summary, Feasibility Report, and Committal of Funds

Revolving Construction Fund

Appl. No.: **E-124**

Received: 12/10/03

To be Presented at the January 30, 2004 Board Meeting

SPONSOR: **CONSOLIDATED SEVIER BRIDGE RESERVOIR COMPANY**

President: Clyde L. Bunker

LOCATION: Sevier Bridge Dam and Reservoir are located on the Sevier River about 15 miles southwest of Levan in Juab County.

EXISTING CONDITIONS & PROBLEMS: Sevier Bridge Dam, built in 1904 and enlarged in 1914, is a 90-foot high earthfill structure impounding about 236,000 acre-feet of water used by five irrigation and water companies irrigating about 94,000 acres. Dam safety improvements, including installation of an outlet works upstream guard gate and construction of a stability berm, were completed last fall with help from a 95% grant provided by the board.

The 700-foot long outlet conduit consists of 275 feet of 10-foot diameter concrete pipe transitioning to 425 feet of 8-foot by 13-foot rectangular tunnel in bedrock. In the tunnel are two sets of three 3.5-foot by 8-foot control gates, not all of which are fully operational. Those that are functional leak and are difficult to operate.

In addition, 150 feet of tunnel floor has been severely eroded to depths up to four feet through the floor concrete into bedrock; this is due to flood releases in the 1980s. The State Engineer requires the floor be repaired.

PROPOSED
PROJECT:

The sponsor is requesting financial assistance from the board to repair the tunnel floor, demolish the two sets of control gates and their housings, and construct one new gate structure that will include an 8-foot by 8-foot gate and 2-foot by 8-foot gate and controls. Technical assistance is being provided by Bowen, Collins & Associates in Draper.

COST ESTIMATE:

The following cost estimate is based on the engineer's design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Tunnel Floor Repair	LS	\$140,000	\$ 140,000
2.	Demolish Existing Gates	LS	44,000	44,000
3.	New Gate & Control			
	a. 8'x 8'	1 EA	76,000	76,000
	b. 2'x 8'	1 EA	50,000	50,000
4.	Air Vent	LS	25,000	25,000
	Construction Cost			\$ 335,000
	Contingencies			34,000
	Legal and Administrative			10,000
	Design and Construction Engineering			50,000
	TOTAL			\$ 429,000

Because the proposed project includes \$198,000 in work previously approved by the board as part of dam safety grant funding, the net project cost is \$231,000.

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$208,000	90%
Sponsor	23,000	10
TOTAL	\$231,000	100%

If the board authorizes the project, it is suggested it be purchased with annual payments of \$ 21,000 at 0% interest over approximately 10 years.

FINANCIAL
FEASIBILITY:

Although the sponsor's member companies have recently completed purchase agreements with the board for past projects, the sponsor plans to leave the past assessments unchanged and use them to pay for the proposed project. Assessments are:

<u>Member Company</u>	<u>Stock-holders</u>	<u>Acres</u>	<u>Shares</u>	<u>\$/Acre</u>	<u>Assess./Share</u>
Delta Canal	172	43,114	27,308	6.65	\$10.50
Melville Irr.	126	10,501	9,116	14.32	16.50
Abraham Irr.	135	13,199	14,324	16.82	15.50
Deseret Irr.	240	22,465	39,281	15.56	8.90
Central Ut. Wat.	60	4,681	10,758	37.92	16.50

BENEFITS:

The principal benefits of the project will be prolonged life and function of the structure, and greater ease in operating the dam and reservoir.

PROJECT
SPONSOR:

The Consolidated Sevier Bridge Reservoir Company is an unincorporated organization that manages the Sevier Bridge Dam and Reservoir for five incorporated companies, each of which is registered in good standing with the state Department of Commerce, has participated with the board in past projects, and has Intermountain Power Project (IPP) as a stockholder.

<u>Member Company</u>	<u>Shares</u>	<u>IPP%</u>	<u>Current Contract with Board</u>
Delta Canal	27,308	19.9	No
Melville Irr.	9,116	18.7	Yes
Abraham Irr.	14,324	19.2	Yes
Deseret Irr.	39,281	20.2	Yes
Central Utah Wat.	10,758	85.0	No

WATER RIGHTS
& SUPPLY:

Water rights connected to storage in Sevier Bridge Reservoir are owned by the sponsor's five member companies as described in the Cox Decree. The sponsor, acting for all five companies, has the right to store up to 236,145 acre-feet of Sevier River Water.

EASEMENTS:

The sponsor has prescriptive easements where the dam and outlet structure are located.

ENVIRONMENTAL: Little disruption to the environment is expected to occur.

WATER
CONSERVATION: Conservation of water will be minimal. Leakage in the past has been picked up in downstream reservoirs.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

2. Pass a resolution by each of the five member companies with the appropriate (as defined in the companies' Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

- a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.

- b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board (contract will be signed by the sponsor and its five member companies).

3. Have an attorney give the Board of Water Resources a written legal opinion that:

- a. The companies are legally incorporated for at least the term of the purchase contract and are in good standing with the state Department of Commerce.

- b. The companies have legally passed the above resolution in accordance with the requirements of state law and the companies' Articles of Incorporation and Bylaws.

- c. The companies have obtained all permits required for the project.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The companies own all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

b. The companies' water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.

In lieu of an attorney's opinion, the companies may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

5. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Water Rights (Dam Safety).

6. Prepare a water management and conservation plan for the companies' service areas, and obtain approval of it from the Division of Water Resources.

STAFF
COMMENT:

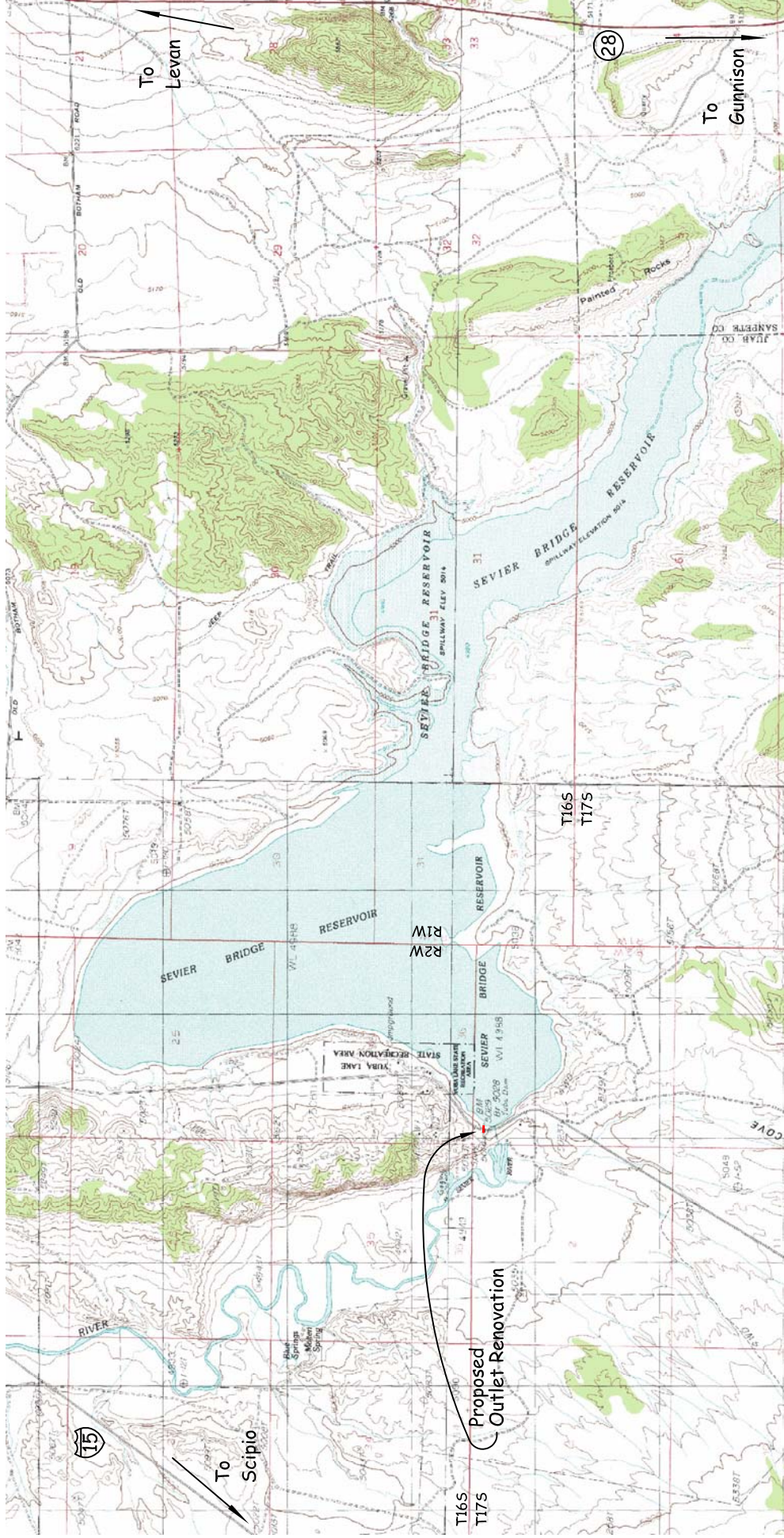
The sponsor has assured staff the Sponsor's Responsibilities will be completed by January 30, 2004. Therefore, if the board chooses to authorize the project, staff suggests it also commit funds.

PROJECT
CONTACT
PEOPLE:

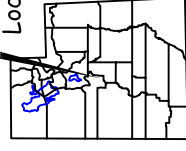
President: Clyde Bunker
1675 North 1250 West
Delta, Utah 84624
Phone: (435) 864-2575

Secretary: Dean Anderson
800 West 100 North
Delta, Utah 84624
Phone: (435) 864-2494

Engineer: Craig Bagley
Bowen, Collins & Associates
756 East 12200 South
Draper, Utah 84020
Phone: (801) 495-2224



Project
Location



T16S, T17S, R1W, R2W

CONSOLIDATED SEVIER BRIDGE RESERVOIR COMPANY
Sevier Bridge Dam Outlet Renovation
Juab County

Scale in Feet



BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Payment Deferral

Conservation and Development Fund

Appl. No.: **K-203**

To be Presented at the January 30, 2004 Board Meeting

SPONSOR: ***ENTERPRISE RESERVOIR & CANAL COMPANY***

President: James L. Simkins
P.O. Box 67
Enterprise, UT 84725
Phone: (435) 878-2324

LOCATION: The project is located about 11 miles southwest of the City of Enterprise in Washington County.

SUMMARY: In 1980 the sponsor's Upper Enterprise Dam was repaired and enlarged. The board provided about \$535,000 (100%) for construction, and the sponsor is returning the current balance of \$411,968 at 0% interest with annual payments of about \$12,900 through 2035.

Due to the severe drought in Washington County and the sponsor's extremely low water supply and crop production last year, it will have a difficult time making its March payment to the board and requests a year's postponement of it (see letter).

STAFF
RECOMMENDATION: Staff recommends the board authorize an amendment to its agreement with the sponsor, postponing the 2004 payment one year and making all remaining payments to the board due one year later than presently required.

BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Payment Deferral

Conservation and Development Fund

Appl. No.: **N-236**

To be Presented at the January 30, 2004 Board Meeting

SPONSOR: ***ENTERPRISE RESERVOIR & CANAL COMPANY***

President: James L. Simkins
P.O. Box 67
Enterprise, UT 84725
Phone: (435) 878-2324

LOCATION: The project is located near the City of Enterprise in Washington County.

SUMMARY: In the early 1980s the sponsor installed a gravity pressurized sprinkle irrigation system over about 2,000 acres. The board provided about \$2.25 million (100%) for construction, and the sponsor is returning the current principal balance of \$1,606,368 at 3% interest with annual payments of about \$104,200 through 2024.

Due to the severe drought in Washington County and the sponsor's extremely low water supply and crop production last year, it will have a difficult time making its March payment to the board and requests a year's postponement of it (see letter).

STAFF
RECOMMENDATION: Staff recommends the board authorize an amendment to its agreement with the sponsor, postponing the 2004 payment one year and making all currently scheduled principal and interest payments due one year later than presently required. No interest will accrue from March 1, 2004, through February 29, 2005.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-125**

Received: 12/12/03

SPONSOR: **COTTONWOOD CREEK CONSOLIDATED IRRIGATION CO.**

President: Craig E. Johansen
P.O. Box 487
Castle Dale, UT 84513
Phone: (435) 381-2523

LOCATION: The proposed project is located near Orangeville and Castle Dale in Emery County.

PROPOSED PROJECT: The sponsor is requesting assistance in planning a basin-wide piped irrigation system. If the system is found feasible, much of the sponsor's service area will convert from ditch to sprinkle irrigation, with some of the developed water to supply a power generating unit PacifiCorp is planning to build.

WATER RIGHTS: The sponsor has numerous rights described in the Johnson Decree.

COST ESTIMATE: \$5,000,00

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-126***

Received: 1/12/04

SPONSOR: ***PLEASANT GROVE CITY***

Mayor: Jim A. Danklef
70 South 100 East
Pleasant Grove, UT 84062
Phone: (801) 785-5045

LOCATION: The proposed project is located in Pleasant Grove City in northern Utah County.

PROPOSED PROJECT: The board assisted the city several years ago with installation of a pressurized irrigation system to serve about 80 large commercial and institutional connections and 420 residential connections. The city is now requesting assistance to install the second and third phases of its pressurized irrigation system which will serve most of the remaining areas of the city including residences and parks.

WATER RIGHTS: The city's irrigation water includes shares in Pleasant Grove Irrigation Company, Provo River Water Users Association, and Deer Creek Reservoir.

COST ESTIMATE: \$17,000,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-127**

Received: 1/15/04

SPONSOR: **HI-COUNTRY ESTATES HOMEOWNERS ASSOCIATION**

President: Darrel Wooley
93 Canyon Road
Riverton, UT 84065
Phone: (801) 446-7176

LOCATION: The proposed project is located southwest of Herriman in southwestern Salt Lake County.

PROPOSED PROJECT: The sponsor is requesting assistance to improve its culinary water system by drilling and equipping a well, adding chlorination facilities, and installing pipeline to connect the new well to the system.

WATER RIGHTS: Application 33130 (59-1608)

COST ESTIMATE: \$495,000

Unapproved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

December 12, 2003

Division of Water Resources
Room 314
1594 West North Temple
Salt Lake City, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
December 12, 2003

The Board of Water Resources held a briefing meeting on December 12, 2003, at 8:00 a.m. at the Division of Water Resources, Room 314, 1594 West North Temple, Salt Lake City, Utah.

The following people were in attendance:

BOARD MEMBERS

Paul Riley
Brad Hancock
Harold Shirley
George Harmond, Jr.
Paul McPherson
Warren Peterson
Bill Marcovecchio
Ivan Flint was absent

STAFF MEMBERS

Larry Anderson - Director
Dennis Strong – Deputy Director
Eric Millis – Assistant Director
Steve Wilde – Chief, Investigations
Nancy Fullmer – Administrative Secretary
Todd Adams – Chief, Hydrology and Computer Applications

Chair Riley called the briefing meeting to order and welcomed everyone. He reminded everyone about the retirement open house for Milo Barney on December 19. Eric Millis said Mr. Barney had worked for the Division of Water Resources for about eight years, but he has worked in different agencies within the Department of Natural Resources for 31 years.

Director Anderson announced Boyd Phillips is planning to retire at the end of December after working for the Division for over 30 years. Dennis Strong invited the Board members to attend Mr. Phillips' retirement party that would be held in conjunction with the Division's staff party on December 23.

CHAIR'S REPORT

Chair Riley said he attended the viewing for Senator John Holmgren, who was a past chair and member of the Board of Water Resources. He was a long-time supporter of water development and was a sponsor for the 1/16% sales tax legislation. Director Anderson talked about Mr. Holmgren's health problems and said he also attended the viewing. He said staff sent a plant in behalf of the Board and staff.

Director Anderson asked the Board members to comment on the Department of Natural Resources combined boards tour and meeting held on December 4 and 5. The Board members felt the meetings were very informative and beneficial and should probably be held at least every other year. There was a discussion about whether or not to schedule the Board meetings in conjunction with the combined boards meetings. The Board members also suggested holding the combined meetings at a different time of the year and in different areas of the state.

Chair Riley talked about the meeting of the Cache County Advisory Board, which was held on December 9 to discuss groundwater in the area and the State Engineer's policy. Director Anderson explained some of the water problems in the Cache Valley area.

The Board members discussed Governor Walker's plan to use the sale tax moneys for education rather than water and roads. Director Anderson said staff has to support the Governor's budget but will respond to questions from the legislators and provide accurate information.

Chair Riley asked Dennis Strong to review the "Status of Funds" report. Mr. Strong said the Board has money to build projects right now because some of the authorized projects are not ready or may take several years to build. He said the new applications coming into the Board have slowed down since the Board of Water Resources does not provide grants and charges higher interest rates than some of the other funding agencies. There was some discussion about how applications are received and repayment terms are recommended.

DISCUSSION OF PROJECTS

The Board discussed the request from Dammeron Valley Water Works to increase its water supply and storage capacity. Steve Wilde said the Board provided financial assistance to the Dammeron Corporation in 1993; that assistance is being returned with annual payments through 2011.

Harold Shirley talked about the request from the Town of Springdale for financial assistance to improve both the culinary and irrigation water systems. He said even though the culinary system is rated "Approved" by the Division of Drinking Water, the quality of water coming out of the Virgin River is bad. Dennis Strong said staff recommended the loan be repaid at 1% interest.

Steve Wilde reported the South Willard Water Company would probably request less than the amount stated in the feasibility report. Director Anderson said the project will have to be bid so staff will know the project cost prior to committal of funds. There was considerable discussion about the company's request and the proposed repayment terms.

Mr. Wilde said the Davis and Weber Counties Canal Company was ready for committal of funds on its third phase. The project was authorized three years ago and is currently under construction. Director Anderson expressed Ivan Flint's concerns about the project and talked about the legislative audit being performed on the company. He said Norman Johnson felt the Board could commit funds based on his conversation with the legislative auditor.

Harold Shirley said the Board needed to reauthorize the Kanab Irrigation Company's project. Instead of the authorized project to increase its water supply, the sponsor decided to investigate the installation of a well. Steve Wilde explained the sponsor's proposed well project.

Dennis Strong explained the withdrawal of the water treatment project for Mountain Regional Water Special Service District. He said the project was included in the larger project the Board authorized for the sponsor at the last Board meeting.

Mr. Strong explained the request for a contract amendment from the New Escalante Irrigation Company. He said the drought conditions were the same as last year and the company was struggling to make its payment to the Board. The Board members discussed the possibility of adding the interest payment to the end of the loan.

The Board discussed Draper Irrigation Company's request for the Board to release 1,000 acre-feet of its water rights held by the Board. The company has the opportunity to trade some of its water in Utah Lake for Jordan River water which will allow the company more flexibility in the operation and management of its systems and accommodating residential development. Dennis Strong said the Board's loan would be secure with the release and in compliance with the law.

The briefing meeting adjourned at 9:50 a.m.

Unapproved
MINUTES
BOARD OF WATER RESOURCES MEETING
December 12, 2003

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the October 31, 2003 Board meetings were approved with suggested changes. page 1
2. The Board authorized the Dammeron Valley Water Works project in the amount of \$310,000 (80%) at 0% interest to be repaid in ten years with escalating repayments starting at \$19,000. page 2
3. The Town of Springdale project was authorized at \$850,000 (90%) to be repaid in 18 years at 1% interest with escalated repayments. page 3
4. The Board authorized the South Willard Water Co. project in the amount of \$300,000 (75%) to be repaid in approximately 20 years at 0% interest with an annual payment of \$15,000. page 3
5. Funds were committed to the Davis & Weber Counties Canal Co. in the amount of \$2.735 million (85%) to be returned to the Board in 30 years at 3.6% interest with annual payments of approximately \$150,600. page 4
6. The Downs Ditch Water Co. was withdrawn and the Mountain Regional Water Special Service District project was deauthorized and withdrawn from further consideration by the Board. page 5
7. The Board authorized the Kanab Irrigation Company project in the amount of \$377,000 (75%) to be returned at 0% interest over approximately 23 years with annual payments of \$16,400. page 5
8. The New Escalante Irrigation Company contract was amended and the \$23,448 interest portion of its March 1, 2004 payment was forgiven. page 6
9. The Board released 1000 acre-feet of water to the Draper Irrigation Company. page 6

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, December 12, 2003 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Riley presided over the 10:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Paul Riley
Harold Shirley
Bill Marcovecchio
Brad Hancock
George M. Harmond, Jr.
Paul McPherson
Warren Peterson
Ivan Flint – absent

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Todd Adams, Chief, Hydrology and Computer Applications
Eric Klotz, Chief, Water Education/Conservation and Use
Ben Everitt, Geologist
Gina Hirst, Engineer
Tom Cox, Engineer
Val Anderson, Engineer
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Doug Nielsen, Sunrise Engineering

Brooks Pace, President, Dammeron Valley Water Works

Bruce VanderWerff, Mayor, Town of Springdale
Rick Wixom, Town Manager, Town of Springdale
Brent Gardner, Alpha Engineering

OTHERS PRESENT CONT'D:

Douglas Lemon, Director, South Willard Water Company
Robert Williams, Project Advisor, South Willard Water Company
Brian Deeter, J U B Engineers

Ivan Ray, Manager, Davis & Weber Counties Canal Co.
Pete Page, Board member, Davis & Weber Counties Canal Co.
Grant S. Cooper, Board member, Davis & Weber Counties Canal Co.
Jerry Stevenson, Director, Davis & Weber Counties Canal Co.
Joe Dawson, Board member, Davis & Weber Counties Canal Co.
Lee Cammack, Project Manager, Davis & Weber Counties Canal Co.
Scott Paxman, Asst. General Manager, Weber Basin Water Conservancy District

Norris Brown, President, Kanab Irrigation Company
Tristan Demille, Jones & DeMille Engineering

David Gardner, Development Manager, Draper Irrigation Co.
Daniel A. Jensen, Attorney, Parr Waddoups Brown Gee & Loveless

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
December 12, 2003

Chair Paul Riley welcomed everyone to the meeting.

APPROVAL OF THE MINUTES

Warren Peterson made a motion to approve the minutes of the October 31, 2003 meetings with a suggested change in the briefing meeting. Bill Marcovecchio seconded the motion and it was agreed upon unanimously by the Board.

CHAIR'S REPORT

Chair Riley informed the Board of the death of John Holmgren, a long-time legislator and former chairman of the Board of Water Resources.

FEASIBILITY REPORTS

#E115 Dammeron Valley Water Works (The Dammeron Corporation)

Chair Riley welcomed Brooks Pace. Gina Hirst reported the Dammeron Valley Water Works was formed to supply culinary water for indoor and outdoor use; they currently serve about 250 residential and one commercial connection. Water is supplied by two wells producing 550 gpm and 250 gpm. The smaller well is used as a backup in winter and to help meet peak demands in summer. This past summer, due to lowered groundwater, the sponsor lowered the pump bowls in the main well 20 feet in order to continue water service; this is as low as they can go. They have two wells that are not used because the 31 year-old steel pipeline between them and the distribution system is significantly deteriorated. They have two 250,000 gallon concrete storage tanks which are adequate for their current needs, but will not meet future demands.

The sponsor is requesting financial assistance to increase both its water supply and storage capacity. It is presently drilling a test well northeast of the two active wells which, if successful, will be developed into a production well if the Board authorizes the project. If unsuccessful, the sponsor will activate one of the distant wells and replace the deteriorated steel transmission pipeline with about two miles of 18-inch PVC. Storage capacity will be increased through construction of a 250,000 gallon concrete tank. Technical assistance is being provided by Rosenberg Associates in St. George.

The project is estimated to cost \$388,000. If the well is unsuccessful any change from the cost estimate will be addressed when funds are committed to the project. The Board has committed funds to the company in 1993 to help upgrade the culinary system, that assistance will be paid off in 2011.

Discussion occurred between Mr. Pace and the Board and staff relative to the project meeting the Board's guidelines. Director Anderson informed the Board the water rights were owned by the Board and there would be no other place for the sponsor to go to obtain funds. Chair Riley read from the guidelines the following: "The Board reserves the right to consider each project on its own merits and may consider it and authorize a project that does not meet all the requirements of the guidelines."

Harold Shirley said he felt comfortable with the project after having been there. He made the motion to authorize the Dammeron Valley Water Works project in the amount of \$310,000 (80%) at 0% interest to be repaid in ten years with escalating repayments starting at \$19,000. Brad Hancock seconded the motion and the Board agreed; Warren Peterson abstained.

#E118 Town of Springdale

Chair Riley introduced Bruce VanderWerff, mayor; Rick Wixom, city manager; and Brent Gardner, engineer. Tom Cox reported Springdale, located near the southern entrance to Zion National Park, provides culinary water to 203 residential and 87 non-residential connections. Pressurized irrigation water is provided to most residences as well as several agricultural users through a separate system installed and owned by Springdale Consolidated Irrigation Company. The town operates and maintains the irrigation system, with an agreement in place to take over its ownership when the irrigation company makes final payment to the Board in 2014.

Water for both systems is diverted from the Virgin River and pumped through a common pipeline to a settling pond where it flows to the culinary water treatment plant or into the irrigation system. Due to the relatively small size of the pond, water is not detained long enough during heavy use periods to allow river sediments to adequately settle out, decreasing water quality and overloading the treatment plant. Conservation efforts prohibiting outside watering from 11 a.m. to 7 p.m. have compounded the problem because the pond capacity is inadequate to store much irrigation water for later use.

The town is requesting financial assistance to improve both the culinary and irrigation water systems by enlarging the pond to three million gallons, installing a pipeline from the pond to the treatment plant, connecting pipeline from the Big Springs Well to the irrigation system, co-mingling Hummingbird well water with higher quality river water for culinary use after treatment, rehabilitating pump stations at the two well sites and installing telemetry on both the culinary and irrigation systems. Technical assistance is being provided by Alpha Engineering in St. George. The project is estimated to cost \$945,000.

The Board's affordability guidelines suggest Springdale residents could pay around \$27.65 monthly for all water. An average monthly culinary water bill last year was \$24.21. The assessment for pressurized irrigation was recently raised to \$60 annually. This amounts to about \$29.21 per month (more than the Board's affordability guideline before the proposed loan repayment is taken into account).

Mayor VanderWerff said it is hard for them to prepare and respond to 2.5 million visitors during the summer when the drought is an issue as well. This past summer because of the drought, the river mud took 48 hours and sometimes longer to settle out of the water. He said Springdale needs more storage so the sediment can settle. The water is not good enough for drinking water but it is great for irrigating.

Harold Shirley made the motion to authorize the Town of Springdale project in the amount of \$850,000 (90%) to be repaid in 18 years at 1% interest with escalated repayments. George Harmond, Jr. seconded the motion and the Board agreed unanimously.

#E119 South Willard Water Co.

Chair Riley introduced Douglas Lemon, director; Brian Deeter, engineer; and Robert Williams, project advisor. Gina Hirst reported the company currently supplies culinary water for indoor and outdoor use to 171 connections. Water is supplied by Maple Grove Spring and a 12-inch well. The company has 40,000, 100,000, and 300,000 gallon storage tanks.

Connections have grown at an average annual rate of 8.4% the past eight years, and that rate is predicted to continue over the next ten. Plans have been approved for 40 new homes, and the company would like to keep two average days' storage for emergency purposes. The company is requesting financial assistance to construct a 700,000 gallon concrete storage tank. Technical assistance is being provided by J-U-B Engineers in Logan. The project is estimated to cost \$498,000.

Ms. Hirst said the company does not wish to increase payments and after working with its engineer feels they can reduce the cost of the project to \$440,000, and is therefore requesting the Board's share be \$300,000. The company has received assistance from the Board twice in the past in 1974 and in 1979; both projects have been paid off.

Mr. Williams said they were able to reduce the cost of the project by eliminating a \$25,000 acquisition fee for the property by going through the property owner, and also eliminating \$24,000 for an onsite construction engineer. Mr. Deeter said there will be an inspector on the project, however he will not be there 24 hours a day. Director Anderson said staff expects the project to be inspected by a design engineer and the project must be built according to plans and specifications. Mr. Deeter said someone would be there every day.

Brad Hancock made the motion to authorize the South Willard Water Company project in the amount of \$300,000 (75%) to be repaid in approximately 20 years at 0% interest with an annual payment of \$15,000. Warren Peterson seconded the motion and the Board agreed unanimously.

COMMITTAL OF FUNDS

#E123 Davis & Weber Counties Canal Co.

Chair Riley introduced Ivan Ray, Manager; Jerry Stevenson, director; Pete Page, Grant Cooper, Joe Dawson, board members; Lee Cammack, project manager; and Scott Paxman, Weber Basin Water Conservancy District. Tom Cox reported in September 2000, the Board authorized the company's \$25.5 million long-term project consisting of replacing, in phases over a number of years, nearly 6 ½ miles of deteriorated canal liner with sections of reinforced concrete liner, large diameter pipe, or concrete box culvert. The headworks at the diversion on the Weber River will be replaced and two wasteways improved to allow the canal to be drained in case of emergency. Telemetry will be installed to automate canal operations.

Phase I and Phase II have been completed. After receiving word that Board funding should be available this coming spring, the company proceeded with Phase III which includes 4,800 feet of 9x8' concrete box culvert, 2,000 feet of reinforced concrete canal liner, and slope stabilization work. Design has been completed, construction is underway in order to complete the project by this coming April. Phase III is estimated to cost \$3.215 million.

Mr. Ray said they've appreciated working with the Board the past number of years. He said construction is underway and the company feels they will have a better system to provide water to shareholders within Davis and Weber Counties. He said they would appreciate consideration regarding committal of funds. Grant Cooper said they are moving ahead based on mandates from the State Engineer's office in regard to safety and management and operation of the canal system. The improvements are needed.

After considerable discussion, Bill Marcovecchio made the motion to commit funds to the Davis & Weber Counties Canal Co. in the amount of \$2.735 million (85%) to be returned to the Board in 30 years at 3.6% interest with annual payments of approximately \$150,600. Brad Hancock seconded the motion and it was unanimously agreed upon by the Board.

SPECIAL ITEMS

#D589 Downs Ditch Water Co.

The company requested assistance from the Board to make improvements to its irrigation system. The company built the project this past summer using its own resources, therefore staff recommends the application be withdrawn.

#E040 Mountain Regional Water Special Service District

The Board authorized \$1.675 million to help construct a microfiltration water treatment plant. The district's current plans are to issue one series of bonds on the open market for \$32.45 million to fund various culinary water system improvements. Funding for the proposed

treatment plant is included, and the district requests its application be deauthorized and withdrawn from further consideration by the Board.

Harold Shirley made the motion to withdraw the Downs Ditch Water Company project and to deauthorize and withdraw the Mountain Regional Water Special Service District project from further consideration by the Board. George Harmond, Jr. seconded the motion and the Board agreed unanimously.

#D968 Kanab Irrigation Co. (Reauthorization)

Chair Riley introduced Norris Brown, president; and Tristan DeMille, consulting engineer. Val Anderson reported the project was originally authorized 3 ½ years ago consisting of perforated pipe under Kanab Creek to collect lost seepage water, a pump station, and transmission pipeline to tie into the pressurized irrigation system. That project is now not planned to be built due to poor water quality and quantity, high pumping costs, and environmental concerns.

The company is requesting financial assistance to equip a new well located ½ mile downstream of the diversion on Kanab Creek add cleaning access manholes and clear the pipeline using a “Poly Pig”, and install about 5,700 feet of 10” and 30” transmission pipeline. The project is estimated to cost \$500,000. Jones & DeMille Engineering will provide design and construction engineering services.

Mr. Brown thanked the Board for consideration of the project. He said if they can get this well it will provide water in the summer which is needed. Mr. DeMille said Mike Noel, executive director of the Kane County Water Conservancy District wanted to be at the meeting, and asked him to thank the Board and staff for their help in exploratory drilling for another source of water and also consideration of the project. Director Anderson asked if the water right had been approved for the well. Mr. DeMille said it had been approved on the local level and it is currently in the state office. He said it was just a change in diversion.

Harold Shirley made the motion to authorize the Kanab Irrigation Co. project in the amount of \$377,000 (75%) to be returned at 0% interest over approximately 23 years with annual payments of \$16,400. Bill Marcovecchio seconded the motion and the Board agreed unanimously.

#N226 New Escalante Irrigation Co.

Steve Wilde reported the Board provided \$2 million (100%) to the company for construction of a pressurized irrigation system. Originally the financial assistance was to be returned over a 35-year period at 3% interest with annual payments of approximately \$101,000. Since then the company’s agreement with the Board has been amended a number of times. The payment due March 1, 2004 is \$85,000 and increases \$2,000 each year; the final payment is scheduled to be made in 2021.

Due to the drought in the Escalante area and conditions outlined in a letter to Director Anderson the company is requesting its \$23,448 interest portion of the \$85,000 March 1 payment be forgiven. Staff recommends the Board consider the request.

Harold Shirley made the motion the New Escalante Irrigation Co. contract be amended and the \$23,448 interest portion of its March 1, 2004 payment be forgiven. Warren Peterson seconded the motion and the Board agreed unanimously.

Draper Irrigation Company

Chair Riley introduced Mr. David Gardner and Mr. Daniel Jensen. Dennis Strong said Draper Irrigation Company is requesting permission from the Board to make a third exchange of water rights, the title to which is presently held by the Board for the company's water project.

Draper has the opportunity to trade some of its water in Utah Lake for Jordan River water. Draper is requesting the Board release 1,000 acre-feet with no requirement that the Jordan River water right it receives be transferred to the Board. Chair Riley asked if there would need to be a change in the water rights. Mr. Strong said the water rights will be changed; they cannot be changed without the Board's participation in the process.

Mr. Jensen said he had represented Draper for several years on water rights matters. He said with the Board's cooperation they've been able to receive 150% of the water. He said in the past they were getting water from one source and turning it over to the Board. This time Draper Irrigation Company will be able to use the water the Board releases to make other trades with other water users. This gives Draper flexibility for the growth they're trying to accommodate in their area. Mr. Gardner said they appreciated working with the Board.

Bill Marcovecchio made the motion to release the 1000 acre-feet of water as requested by the Draper Irrigation Company. Paul McPherson seconded the motion and it was unanimously agreed upon by the Board.

DIRECTOR'S REPORT

Director Anderson said a draft copy of a bill from the Utah Rivers Council to amend the Water Conservation Act is in the Board folder. The bill is sponsored by Representative Judy Buffmire. The Utah Rivers Council asked staff to respond to the proposed changes. The Governor's Office also asked us to respond. It was suggested to the Council the bill make it a requirement of law instead of a requirement the Board has to look at. Ron Thompson is also planning to submit an amendment to the bill.

Mr. Anderson said an obituary of Gordon Harmston, former Director of the Department of Natural Resources, is in the Board folder. He also said the Water Users Workshop will again

be held in March in St. George, Utah. Board members are to inform Nancy if they are planning to attend.

NEXT BOARD MEETING

The next Board meetings will be held Friday, January 30, 2004.

Meeting adjourned at 11:55 a.m.

Approved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

October 31, 2003

Division of Water Resources
Room 314
1594 West North Temple
Salt Lake City, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
October 31, 2003

The Board of Water Resources held a briefing meeting on October 31, 2003, at 9:00 a.m. at the Division of Water Resources, Room 314, 1594 West North Temple, Salt Lake City, Utah.

The following people were in attendance:

BOARD MEMBERS

Paul Riley
Ivan Flint
Brad Hancock
Harold Shirley
George Harmond, Jr.
Paul McPherson
Warren Peterson
Bill Marcovecchio – absent

STAFF MEMBERS

Larry Anderson - Director
Dennis Strong – Deputy Director
Steve Wilde – Chief, Investigations
Nancy Fullmer – Administrative Secretary
Todd Adams – Chief, Hydrology and Computer Applications
Eric Klotz – Chief, Water Conservation/Education and Use

VISITORS

Robert Morgan, Dept. of Natural Resources
Sherm Hoskins, Dept. of Natural Resources
Terrah Degiulio, Office of Planning and Budget
Norman Johnson, Attorney General's Office
David Brown, Utah Rivers Council

Chair Riley called the briefing meeting to order and welcomed everyone. Robert Morgan, Executive Director of the Department of Natural Resources, said he wanted to meet with the Board members and let them know about the Department of Natural Resources combined boards meeting and tour being held on December 4 and 5. He would like the board chairs to make a presentation on what their boards do and some of the challenges they face. He hopes the board members can become more familiar. He said no actions would be taken at the meetings since they are for information only. Sherm Hoskins asked the Board members to let his office know if they plan to attend.

Chair's Report

Chair Riley asked Director Anderson to give his presentation on "Meeting Utah's Future Municipal and Industrial (M&I) Water Needs" that he gave at Utah State University. Director Anderson said the future M&I water needs will be met through water conservation, agricultural conversion and new water development. He gave a power point presentation and answered questions. The Board members thanked him for the information and suggested he make the presentation available to all water users.

Warren Peterson reported that he had been contacted by Arlan Mayer, Board Chairman of the Twin M Conservation District. Mr. Mayer asked if the Board, acting in its role as the state water policy board, could do anything to alleviate the effects of the drought and help mitigate water mining in the Beaver-Escalante Valley. Mr. Mayer had expressed concern about increased water depletions from conversion to sprinkler systems. Mr. Peterson said he shared this concern, and that it should be considered when the Board evaluates requests to fund conversions from flood irrigation to sprinkler irrigation systems. Mr. Mayer had also suggested creating incentives for farmers to grow crops requiring less water than alfalfa, such as small grains.

Cloud Seeding Report

Todd Adams said the good news is that it is snowing and there should be another storm on the weekend. Mr. Adams explained last year's cloud seeding program and showed a map of this year's program, which will start about mid-November. He also talked about the propane seeding experimentation project that will be conducted during the winter of 2003/04 and handed out a summary sheet.

Director Anderson talked about the historical levels of Bear Lake and handed out a hydrograph of Bear Lake. He said the lake has had major drops and is at the same level as it was in 1936, which is the previous low. Mr. Anderson also handed out information on the water conservation campaigns and water use data that has been collected throughout the state. He said that information would be posted on the Division's web page.

Warren Peterson said the reservoirs in the Sevier River drainage are about empty. He said Yuba Dam was rededicated last week, and he thanked Paul McPherson for attending the event. Mr. McPherson then talked about the rededication ceremony.

Projects

Director Anderson reminded the Board members they should not make decisions about projects or debate whether they are good projects during the briefing meeting.

Director Anderson said the feasibility report for the Hyrum Blacksmith Fork Irrigation Company would not be presented this month. The sponsor requested the presentation be delayed until the stockholders can meet to discuss the economics and proposed repayment terms of the project.

Steve Wilde talked about the committal of funds report for the Porcupine Highline Canal Company. The project costs have increased since the authorization so the sponsor is requesting \$112,000 (85%) from the Board rather than the \$85,000 (85%) that was authorized in April 2002. The project is the same but the bids were higher than estimated.

Mr. Wilde said the project for Trenton Town has changed since authorization so the sponsor was asked to come to the Board meeting. Because of cost, easement and water rights issues, the well and transmission pipeline are no longer part of the project; but the town would like funds committed so it can proceed with the distribution portion of the project, which has been bid. After a discussion about the water supply component of the project, Mr. Wilde recommended if the Board commits funds to the project, the proposed repayment terms should remain as authorized, with the stipulation that if the town has not selected and implemented the water supply component of the project in 18 months, the unused board funds should be returned.

Steve Wilde explained the reason the Center Creek Irrigation Company requested an amendment to its contract. The sponsor would like the Board to postpone its December 2003 payment for one year. Mr. Wilde suggested requiring the sponsor to submit the plans and specifications to Dam Safety before December 1 if the amendment is approved.

George Harmond discussed the Blanding Irrigation Company's requests to amend its contracts to postpone this year's payments since the farmers have not been able to raise enough crops to generate any income because of the drought. Steve Wilde said the conditions have not improved since last year when the company made the same request.

Mr. Wilde said the Board committed funds to the Magna Water Company, An Improvement District in January; and the sponsor is currently constructing Phase I of its secondary irrigation system. Some of the wells have not produced as much water as expected so the sponsor wants to build a pump station to utilize water from the Utah & Salt Lake Canal. The sponsor has requested an additional \$360,000 from the Board to help pay for additions to the project, higher pipeline prices and meters for each service connection. Staff recommended if the Board approved the request, the current contract be amended and the annual payments increased.

Steve Wilde said the Bear River Canal Company received committal of funds last month for its inverted siphon project, but the sponsor needs additional funds because the bids were higher than the cost estimate of the project. He explained some of the reasons for the increased costs. The request is for recommittal of funds since the contract has not been signed.

Dennis Strong explained the request from Mountain Regional Water Special Service District for a grant to purchase bond insurance, which will reduce the interest rate and save the district about \$3.9 million in interest payments over the bond's 30-year repayment period. He said the Board authorized a water treatment plant project for the district a few years ago, but the district will withdraw that request since it will be included in the \$32 million bond project. Ivan Flint gave a background of the project sponsor and talked about its proposed pipeline project to bring water from near Wanship to Park City.

Other Items

Director Anderson introduced David Brown from the Utah Rivers Council. Mr. Brown said he was covering the meeting for Erica Thoen, who is working on amendments to the Water Conservation Act. He said Merritt Frey replaced Zach Frankle as the executive director of the Council.

Dam Safety Amendments

Dennis Strong reviewed his proposed changes to the Board's current guidelines for funding dam safety projects and suggested modifications to the Utah Administrative Code. He explained how a dam qualifies for dam safety funding.

After considerable discussion and comments, Warren Peterson made the motion to authorize staff to make the changes to the guidelines and administrative code. Harold Shirley seconded the motion and the Board unanimously agreed. Norm Johnson clarified the motion by saying the changes must be submitted through the Administrative Rules process.

Board Training

Norm Johnson, Assistant Attorney General, reviewed a memo he prepared for the Board members regarding conflict of interest. He said Board members are covered under the Utah Public Officers' and Employees' Ethics Act and must follow the disclosure provisions. He encouraged Board members to disclose any conflict of interest in the Board meeting where the project sponsors are present and said they probably should not participate in the discussion of a project if they are a major stockholder or on the sponsor's board. He suggested Board members should make a written disclosure when they sign the application if they are a major stockholder.

After considerable discussion, Mr. Johnson encouraged the Board members to err on the side of caution and call him if they have questions. Sherm Hoskins suggested the Board members should re-read Mr. Johnson's memo. Everyone thanked Mr. Johnson for coming to the meeting and explaining the ethics act.

Director Anderson asked the Board members to let him know if they have training subjects they would like to discuss. He suggested the Board could have some type of training when time permits.

Warren Peterson commented the division has some impressive technical capabilities he would like to hear about and see. Some of the Board members said they want to be more

involved in some of the special studies conducted in their areas.

Director Anderson talked about the community outreach program being sponsored by the Department of Natural Resources and encouraged everyone to look at the pumpkins that were carved by each division.

The briefing meeting adjourned at 12:45 p.m.

Approved
MINUTES
BOARD OF WATER RESOURCES MEETING
October 31, 2003

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the September 19, 2003 Board meetings were approved with suggested changes. page 1
2. The Board committed funds to the Porcupine Highline Canal Company project in the amount of \$112,000 (85%) to be purchased with annual payments of \$6,000 at 0% interest over approximately 19 years. page 1
3. Funds were committed to Trenton Town in the amount of \$1.304 million to be repaid in 25 years at 0% interest with annual payments of approximately \$55,000 with the stipulation that if the town has not settled the water supply component in 18 months that portion of the funds not used would be returned to the Board. page 2
4. The Center Creek Irrigation Company's contract was amended postponing the December 1, 2003 payment of \$13,048 until December 1, 2004. page 3
5. The Blanding Irrigation Company's D618 and D759 contracts were amended to postpone the December 1, 2003 payments in the amount of \$23,000 and \$12,000 until December 1, 2004 and making all remaining payments due one year later than presently required. page 3
6. The Beaver Bench Irrigation Company, Town of Altamont and the Summit County Service Area #3 projects were withdrawn from further consideration by the Board. page 4
7. The Magna Water Company, an Improvement District's contract was amended to provide an additional \$360,000 and to state the district will return the \$1.175 million at 1% interest over 25 years with annual payments of approximately \$53,400. page 5
8. The Bear River Canal Company's contract was amended to increase the Board's cost sharing from \$489,000 to \$656,000 and the \$656,000 to be returned with approximate annual payments of \$50,000 at 0% interest over 13 years. page 5
9. The Board granted bond insurance to the Mountain Regional Water Special Service District in the amount of \$350,000. page 6
10. The Board of Water Resources approved the 2004 Board meeting schedule (copy attached). page 6

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, October 31, 2003 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Riley presided over the 1:00 p.m. meeting.

BOARD MEMBERS PRESENT:

Paul Riley
Harold Shirley
Brad Hancock
Ivan Flint
George Harmond, Jr.
Paul McPherson
Warren Peterson
Bill Marcovecchio – absent

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Todd Adams, Chief, Hydrology and Computer Applications
Todd Stonely, Chief, River Basin Planning
Tom Cox, Engineer
Russell Hadley, Engineer
Gina Hirst, Engineer
Sara Larsen, GIS Supervisor
Marisa Egbert, Engineer
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Sherm Hoskins, Asst. Director, Department of Natural Resources
Jerry Olds, State Engineer
Jason Lillywhite, Ensign Engineering

Perry Spackman, Mayor, Trenton Town

Brian Deeter, J U B Engineers

OTHERS PRESENT CONT'D:

Allen Sweat, President, Center Creek Irrigation Co.

Ed Hansen, District Manager, Magna Water Co., An Improvement District
Don Olsen, District Engineer, Epic Engineering

Charles Holmgren, President, Bear River Canal Co.
Dan Davidson, Manager, Bear River Canal Co.
Ken Gardner, Gardner Engineering

Jim Carbine, General Manager, Mountain Regional Water Special Service District
Scott Green, CFO, Mountain Regional Water Special Service District
Doug Evans, Project Manager, Mountain Regional Water Special Service District
Laura D. Lewis, Principal, Lewis Young Robertson & Burningham, Inc.
Scott Robertson, Principal, Lewis Young Robertson & Burningham, Inc.
Alex Buxton, Vice-president, Zions Bank

MINUTES
BOARD OF WATER RESOURCES MEETING
October 31, 2003

Chair Riley called the Board of Water Resources meeting to order and welcomed everyone.

APPROVAL OF MINUTES

Warren Peterson made the motion to approve the minutes of the September 19, 2003 meetings with suggested changes. George Harmond, Jr. seconded the motion and it was agreed upon unanimously by the Board.

CHAIR'S REPORT

Warren Peterson reported the Yuba Dam has been rededicated and the coffer dam has been breached, the gate is closed and water storage is underway.

COMMITTAL OF FUNDS

#E062 Porcupine Highline Canal Co.

Gina Hirst reported the Porcupine Highline Canal Company requested financial assistance from the Board to replace a freestanding concrete section of irrigation canal, which traverses a steep and rocky hillside, with 48" polyethylene pipe. The project has been bid and costs are higher than authorized. The project cost is \$132,000 instead of the estimated \$100,000.

Chair Riley asked why the project is more than the estimate? Ms. Hirst said the company was hopeful the bids would come in lower. Brad Hancock made the motion to commit funds in the amount of \$112,000 (85%) to be purchased with annual payments of \$6,000 at 0% interest over approximately 19 years. Harold Shirley seconded the motion and it was unanimously agreed upon by the Board.

#L534 Trenton Town

Chair Riley introduced Perry Spackman, mayor and Brian Deeter, J U B Engineers. Russ Hadley reported Trenton Town received authorization to upgrade its culinary water system by drilling and equipping a well on the east side of Cache Valley, installing about six miles of transmission pipeline, and replacing old distribution pipelines with PVC pipe. Because of cost, easement, and water rights issues, the well and transmission pipeline are no longer part of the project.

The town is now requesting financial assistance to upgrade its culinary water system by replacing old distribution pipeline with PVC pipe large enough to take demands. Although the water supply component is not yet firmly established, one promising proposal is to connect Trenton's system to Lewiston's six miles to the northeast and install a pump station and pipeline to transport the water. While the best and most feasible way of increasing Trenton's supply is being determined, the town would like to proceed with the distribution portion of the project, which has been bid.

Although the cost of the water supply component of the project isn't presently known, all the funding agencies concur the total project cost estimate should stay the same as authorized (increased by the additional funding obtained) to cover any water supply option chosen. The total project is estimated at \$3.158 million.

Mr. Spackman said he wished the company were in a position to get the additional water at this time, however the proposed well didn't materialize. He said the other funding agencies suggested they proceed with the distribution system and get it done, and actively pursue an additional water source.

Mr. Deeter said the most promising option would be to connect to the town of Lewiston. Warren Peterson asked if funds were being committed at this meeting for the tie-in to Lewiston. Director Anderson said no. Funds were being committed so they would not have to return to the Board to ask for more. He said the funds being committed are for them to get a water supply whether it's connecting to Lewiston where it allows them to sell surplus water or whether it's a mechanism where they'll locate another place to drill a well. All of the funding agencies have agreed to commit the funds so the company can move forward with an entire project.

Harold Shirley made the motion to commit funds in the amount of \$1.304 million to Trenton Town to be repaid in 25 years at 0% interest with annual payments of approximately \$55,000 with the stipulation that if the town has not settled the water supply component in 18 months then that portion of the funds not used would be returned to the Board. Warren Peterson seconded the motion and it was agreed upon unanimously by the Board.

SPECIAL ITEMS

#D489 Center Creek Irrigation Co.

Chair Riley welcomed Allen Sweat, president. Steve Wilde reported in the mid-1980's the Board provided \$255,000 to the company to help install a pressurized agricultural irrigation system over 910 acres. Their final payment of \$13,048 is due December 1 of this year.

Last summer the sponsor made improvements to one of its four dams that operates on the Center Creek drainage and placed 100 feet of 10-inch polyethylene pipe inside the existing outlet and grouted the space between them. The new outlet pipe project cost about \$15,000. The company's initial plan was to assess its stockholders to pay for the project, but since it cost more

than the company planned on, it was deemed undesirable. The company is, therefore, requesting the December 1, 2003 payment to the Board be postponed one year until December 1, 2004.

Matt Lindon of the Dam Safety Section said the new polyethelene pipe installation looks good, however, they have not received the appropriate design drawings and as-builts. Staff is suggesting before the Board approves the company's request to defer the December 1 2003 payment for one year, it be affected only when the drawings Dam Safety needs are submitted and approved by December 1 of this year.

Mr. Sweat said the project was finished two weeks ago and that's probably why the plans have not been submitted to the state, however, the company's engineer has been in contact with Matt Lindon and the project was approved before construction began.

Paul McPherson made the motion, seconded by Brad Hancock, to amend the Center Creek Irrigation Company's contract postponing the December 1, 2003 payment of \$13,048 until December 1, 2004. The Board agreed unanimously.

#D618 Blanding Irrigation Company
#D759 Blanding Irrigation Company

Steve Wilde explained the Blanding Irrigation Company has two current agreements with the Board, one for a 1986 irrigation pipeline project (D618) and another for a mid-1990's pressurized sprinkler irrigation system (D759). The next payments (\$23,000 and \$12,000) on the 0% interest agreements are due December 1, 2003. Due to the severe drought in San Juan County and the company's almost total lack of crop production again this year, the company will have a difficult time making this year's payments to the Board, and requests a year's postponement.

George Harmond, Jr. made the motion to amend #D618 and #D759 Blanding Irrigation Company's contracts to postpone the December 1, 2003 payments in the amount of \$23,000 and \$12,000 until December 1, 2004 and making all remaining payments due one year later than presently required. Ivan Flint seconded the motion and the Board unanimously agreed.

#D918 Beaver Bench Irrigation Company

The Board authorized \$280,000 to the company to help replace its existing flood irrigation system with a pump-assisted pressurized system. Due to drought and the high cost of pumping, shareholder support for the project became contingent on the company obtaining an ASCS grant for a significant portion of the cost. Because the company tried without success the past several years to obtain a grant, it requested its application to the Board be deauthorized and withdrawn from further consideration.

#E012 The Town of Altamont

Altamont requested financial assistance to convert from ditch irrigation to piped, pressurized irrigation throughout town. Since the Community Impact Board voted to fund the project, staff recommends the application be withdrawn.

#E-045 Summit County Service Area #3

The company requested financial assistance to drill and equip a culinary well, install booster pumping equipment, and tie both into the existing water system with pipeline. When the Board's financial feasibility guideline was determined, the average monthly water payment would need to increase by about \$30. The sponsor felt such an increase would be unacceptable to its users and now intends to complete the project with its own funds; therefore requesting the application to the Board be withdrawn.

Harold Shirley made the motion to withdraw the Beaver Bench Irrigation Company, Town of Altamont, and the Summit County Service Area #3 projects from further consideration by the Board. Brad Hancock seconded the motion and it was unanimously agreed upon by the Board.

#E068 Magna Water Co., An Improvement District

Chair Riley introduced Ed Hansen, district manager; and Don Olsen, district engineer. Tom Cox reported the district is constructing Phase I of a secondary irrigation system, with plans to eventually expand the system to cover the entire district. The Board committed funds for a five acre-foot regulating pond, several shallow wells, about four miles of transmission pipeline, and enhancements to a wetlands area within the district.

The district has obtained grant funding from the Central Utah Water Conservancy District (CUWCD) and has installed nearly all the pipeline and drilled two wells, and is in the process of drilling a third well. They intend to put the regulating pond out to bid this fall.

The yield on the two drilled wells is much lower than anticipated, most likely due to several years of drought. In order to have a backup water source as well as adequate supply as additional phases are constructed, the district would like to build a pump station to utilize water from the Utah and Salt Lake Canal.

The district will be buying about twice the amount of land than needed for the first phase as the landowner is requiring purchase of the entire parcel. The extra land will be used in the future as a regulating pond site for additional phases.

With the changes to the project and higher-than-expected pipeline prices Phase I's cost has increased. The project cost has increased about \$400,000 and the Board's share will increase from 48% to 56% of the project cost. The district is, therefore, requesting additional funds to

cover the increased costs to complete Phase I and also to pay for meters for each service connection.

Mr. Hansen said the project has moved along very well; all of the large diameter pipe is installed and they are waiting for final negotiations on the property. Once that's taken care of they will be going out to bid for construction of the first phase of the pond. The district will proceed to install meters. All the large areas, schools, parks, churches will convert existing culinary water over to secondary water meter stations. Director Anderson commented the district will be supplying culinary water along with secondary water.

George Harmond, Jr. made the motion to amend Magna Water Company, an Improvement District's contract to provide an additional \$360,000 and to state the district will return the \$1.175 million at 1% interest over 25 years with annual payments of approximately \$53,400. Warren Peterson seconded the motion and the Board unanimously agreed.

#E097 Bear River Canal Co.

Chair Riley introduced Charles Holmgren, president, Dan Davidson and Ken Gardner, engineer. Gina Hirst reported the Board committed funds in September to help replace a steel flume truss structure conveying irrigation water over the Malad River, with an inverted siphon under the river. The company added a number of ancillary items to the project for maintenance and safety reasons, and hoped their cost would be absorbed by the committed cost estimate's contingency. The project has been bid since that time and the committed cost estimate is inadequate to cover the cost. The company, therefore, is requesting additional funds from the Board.

Mr. Holmgren said the company is ready to proceed with construction to replace the whole flume. Mr. Gardner added, after beginning the project they learned of some historical releases from Cutler that can double the capacity of the canal and could plug the drainage culverts. He said a 280 foot broad crested weir was created that will spill the excess water down into the Malad River, they also widened the trash racks, lengthened the bridge and added features to permit the trash racks to be raised. He said the siphon serves 66,000 acres and is the only source of water; they didn't want to take any chances for a failure of the siphon.

Ivan Flint made the motion to increase the Board of Water Resources cost sharing from \$489,000 to \$656,000 and the \$656,000 to be returned with approximate annual payments of \$50,000 at 0% interest over 13 years. Paul McPherson seconded the motion and the Board unanimously agreed.

#E117 Mountain Regional Water Special Service District

Chair Riley introduced Jim Carbine, general manager; Doug Evans, project manager; Scott Green, CFO; Laura Lewis, principal financial advisor; and Scott Robertson, principal financial advisor. Dennis Strong reported Mountain Regional Water Special Service District

covers an area of approximately 32 square miles in Summit County (Snyderville Basin) and consolidates culinary water services previously provided to various areas by a number of smaller water purveyors.

The district plans to issue one series of bonds for \$32.45 million to fund culinary water pipeline extensions to interconnect existing systems, purchase water rights, install a SCADA system and make other water system improvements. The district is requesting the Board provide a grant of \$350,000 to buy bond insurance.

Mr. Carbine said he appreciated staff's presentation and said this has been a real exciting endeavor for the district this past couple of years. He said they appreciate all the Board has done with the water companies in the region and feels with this type of reorganization a very solid system can be put in.

After considerable questions and answers, Ivan Flint made the motion to grant the Mountain Regional Special Service District \$350,000 for bond insurance. The insurance will reduce the interest rate about 0.5% and save the district approximately \$3.9 million in interest payments over the bond's 30-year repayment period. George Harmond, Jr. seconded the motion and it was unanimously agreed upon by the Board.

APPROVAL OF 2004 BOARD MEETINGS SCHEDULE

Director Anderson asked the Board to consider the proposed 2004 Board Meetings Schedule (copy attached). Harold Shirley made the motion to approve the 2004 Board Meetings Schedule as prepared. Paul McPherson seconded the motion and the Board agreed unanimously.

DIRECTOR'S REPORT

Director Anderson asked Jerry Olds, State Engineer, what the situation was with the Navajos. Mr. Olds said in August an agreement was signed with the Navajo Nation that both parties would enter into and participate in negotiations with regards to the reserved water right claims for the Navajo Tribe in San Juan County. He said their intent would be to sit down and be open and candid with them on our data and information regarding the Colorado River Compact. He said it has been difficult to make arrangements with Mr. Pollock of the tribe; hopefully discussions can begin within the next couple of months.

Mr. Anderson said Boyd Phillips had prepared a discussion and a list of water rights owned by the Board which is included in the Board folder. The State Engineer sent a letter to everyone who has unapproved filings asking them what they were going to do with those filings. Mr. Anderson asked the Board to look at the list of filings in their area so we could let Jerry Olds know which ones could be withdrawn.

Director Anderson asked Eric Millis to introduce Marisa Egbert, a new employee. Mr. Millis said she is a professional engineer working in the Water Education/Conservation and Use section under Eric Klotz. Ms. Egbert then introduced herself to the Board.

Director Anderson and Robert King attended a celebration at Hoover Dam on October 16th where the Secretary of the Interior signed all the documents relating to the Colorado River Quantification Settlement Agreement. Mr. Anderson said the implementation of the Interim Surplus Guidelines is a major success as far as the Colorado River Basin States are concerned.

Mr. Anderson said he included in the Board Folder a proposal to rename Lake Powell, Powell Lake. Bob Morgan, Department of Natural Resources Executive Director, wrote a letter to the USGS stating Utah was against this proposed name change and why.

NEXT BOARD MEETING

The next Board meeting will be held December 12, 2003 in conjunction with a Board/Division Christmas luncheon being held at the Lion House.

Meeting adjourned at 3:18 p.m.